

CHAPTER - 1

INTRODUCTION

About the Chapter

In the Introduction chapter the researcher has made an attempt to present a basic conceptual framework on the research question with a view to develop understanding into the subject in light of its need, significance, growth and development. The former section of the chapter discusses in detail the concept, nature and evolution of Corporate Social Responsibility (herein after referred as CSR) and concern of the social work profession to explore various aspects of the problem through discussion of a few trends, meanings and definitions in order to understand how and why is corporate social responsibility becoming an important function for business and has assumed a significant place in the corporate world.

The chapter covers a brief understanding on the corporate as industrial organizations, touches on important role of business and society, corporate social responsibility and sustainable development, meaning of socially responsible business organization, contemporary social issues, brief historical origin of CSR, the growing recognition to CSR in the changing global context, Indian and international CSR perspectives, generations of CSR, objectives of CSR, different phases of CSR, internal and external dimensions, factors accelerating the need for CSR, CSR and the stakeholder concept, strategic community involvement with a social work perspective, role of government and NGOs in CSR, challenges in the field of CSR for a further diffusion, codes, indicators and external standards in CSR, CSR process implementation, tools and guidelines, recent CSR initiatives etc in order to acquire clarity and basis for understanding the intricacies of the subject.

The discussion in the latter section of the chapter aims at weaving the several implications the subject and field has from social work education and practice. Since CSR is emerging as a new discipline and requires a coherent body of knowledge, tools and techniques needed to assist corporate sector. The researcher aims to establish linkages about the relevance of social work and HR functions and roles of professionals, reflections on the positioning of social work and HR function in the Industries in the past, the various transformations in the practice of social work in Industry and growing role of personnel social work and HR. The initiatives undertaken by the professional social workers to assist industries in discharging their corporate social responsibilities to the society as per the demands of changing industrial and social scenario in order to address the objectives and goals of social work profession.

PART - 1

1. BACKGROUND

1.1 The role of business in society has been debated in economic literature for a long time. The Business world is changing at a mind blowing pace. Government throughout the world are slowly moving from the traditional role of providing social services and engaging in the market. Privatization has seen the state withdraw from many sectors, and there is now a widespread reluctance to intervene in society as it was in the past. This means that the traditional social responsibility and accountability to larger social expectations is slowly shifting away from the governments to the private sector. The discussion of corporate social responsibility had been evident for several decades. Today corporate social responsibility is a buzzword; one finds too many discussions happening on this front. Whether it is big corporate or small, private, MNC or public sector all talk about corporate social responsibility.

1.2 Corporate Social Responsibility is about the way in which companies meet their wider obligations both to the employees and to the wider community. A responsible organization recognizes that its activities have an impact on the society in which it operates. Corporate Social Responsibility is not the same as compliance with minimum legal standards or delivering shareholder values, but should contribute to both. It emphasizes the need for companies to adopt a coherent approach to a range of stakeholders, including investors, employees, suppliers, customers and communities. The collapse of Enron and other evidence of corporate misbehaviors in the United States have stimulated interest in how companies should behave.

1.3 The roots of corporate social responsibility might be traced back to the corporate paternalists of the 19th and 20th Century. By the term Corporate Social Responsibility what is generally understood is that business has an obligation to society that extends beyond its narrow obligation to its owners or country, but it was Howard R. Bowen's book on "Social responsibilities of Businessman" published in 1953, which was the origin of the modern debate on the subject. Bowen discussed in his work that there would be general social and economic benefits that would accrue to society, if business recognized broader social goals in its decisions. His work in the area of corporate social responsibility examined how social and economic benefits can be optimized by recognition of broader social goals in business decisions. It threw light on the subject in depth that was rather underdeveloped at that time.

1.4 According to Howard Bowen (1953), Social responsibility implies the obligations of businessmen to pursue those policies, to take those decisions or to follow those lines of action, which are desirable in terms of the objectives, and values of our society. He explains that "That doctrine of social responsibility is or might be a practicable means towards ameliorating economic problems and attaining more fully the economic goals we seek. Corporate Social Responsibility is an issue that is working its way into many policy debates and corporate agendas.

1.5 Corporate Social Responsibility is an evolution in the approach towards sustainable development: while the 1992 Rio Earth Summit focused on environmental management, the 2002 World Summit on Sustainable Development (WSSD) focused on a broader set of issues, including poverty reduction and social development, Corporate Social Responsibility & Stakeholders involved. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of the life of the work force and their family as well as of the local responsibilities towards the society, first as a result of the impact of its own operations and secondly as unit of the society in which it operates. The former is related to what the organization does to the society by way of its specific operations whereas the later deals with what the society demands from it. With the introduction of Global Compact towards the end of century the concept of Corporate Social Responsibility (CSR) has been reinforced.

1.6 The modern corporation has grown phenomenally impacting various constituencies of civil society. The social obligations of the corporation were highlighted as a strong reaction to certain practices of business, which undermine human rights, healthcare, labour standards, environment, poverty and minimum education among others. One of the developments has been the creation of voluntary organizations, which serve the underprivileged sections of civil society, the NGOs. The campaign of CSR has been actively supported by multilateral agencies like the World Bank, OECD, and the European Commission among others. In fact in the present times CSR roles and responsibilities of large corporations have been explicitly identified and evolved worldwide.

1.7 In order to minimize the incidence of corporate governance problems, guidelines and codes based on country experiences are being adopted both by the developed and developing countries, In fact even before a world wide debate started some large companies and multinationals all over the

world were already engaged in corporate philanthropy. However as the community and stakeholders expectations became more and more diverse, it became necessary to mandate the corporation to respond to these requirements.

1.8 The corporation by way of newer legislations assigned a certain legal sanctity to the emerging framework of ethical and social conduct by different governments.

1.9 While in the western world in the universities and management schools there has been a practice of a basic curriculum on ethics and corporate social responsibility in the developing countries like India we do not find much evidence of such practices.

Since the process of liberalization commenced in India the economy was exposed to changing market structures and fierce competition. Economic reforms increased pressures of performance of business in industries. In the Indian situation while there has been some national debate on Ethics, not much has been debated on various aspects of corporate social responsibility till late 80s however several important initiatives through business, government and voluntary organizations have been taken since then through national seminars and conferences leading to emerging of organizations working for Corporate social responsibility in collaboration with international organization like United Nations Development Programme, World Bank, ILO ,International Institute of Sustainable Development and others.

1.10 Socially responsible conduct within the business community has come in focus from govt, society as a whole, and consumers and internally from the business organizations. Government around the world encourages business actors to take on a more active role in "Social questions ". Consumer Behavior are affected by the perception of the Company they buy from with the company's reputation for social responsibility as an important aspect in their choices. Corporate Social Responsibility is nothing but what an organization does to positively influence the society in which it exists. It could take the form of community relationships, volunteer assistance programmes, health care initiatives, special education/training programmes and scholarships, preservation of cultural heritage and beautification of cities. The philosophy is basically to give back to the society, what it (business) has taken from it, in the course of its quest for creation of wealth.

1.11 There is no single commonly accepted definition of Corporate Social Responsibility. But following the US-UK tradition, it can be defined as follows: Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal commercial and public expectations that a society has from business. The debate on whether responsibility of a business enterprise is only to its share holders (owners) or to all stakeholders including environment and the society at large in an ongoing one and continues. In common parlance the term Corporate Citizenship is referred as a moral obligation of an industry towards the society. This implies just as individuals corporate are also the integral part of the society, their behaviour shall be guided by certain social norms. The reference to corporate social responsibility in the Indian context can be found in our Indian religious manuscripts like (Artha Shashtra) which talks about the concept of Shreshtha Dharma

Prajasukhe Sukham Shreshthah, Prajanam Cha Hite Hitam

Natmapriyam hitam Shreshthaha, Prajanam tu priyam Hitam

Which means that the better off one is in the society the higher should be ones sense of responsibility.

Another example from Mahabharata (Shantiparva Mahabharata) says

Aish Aveas Paro Dharmao Yad Raj Raksha Prajah,

Malaakaaroamo Rajan Bhav Maangaarikopama

Meaning to protect public is the prime responsibility of the kings/elite class, which can be synonym to the role of corporate in the modern world.

Since the researcher aims to study the process and impact of corporate social responsibility in light of community development programmes it is also very important to understand the critical role and linkages of business and society.

2. BUSINESS AND SOCIETY: A SOCIAL WORK PERSPECTIVE

2.1 Today the society expects more from the business than what it expected twenty years back. The philosophy of Laissez faire has no place in the corporate policy manual. The business and the social interest can no longer be looked in isolation. The relations between business and society have undergone a paradigm shift and the parameters of social contract have been restructured.

It is argued that the greater sensitivity to such contract makes business socially more powerful. The social contract defines the relationship between two major institutions – the business and society. This contract is partly monitored by the rules and regulations that the government enacts within which business is expected to operate and partly manifested in shared understanding that prevails between the society and the business pertaining to their reciprocal understanding of each others role. Such contract which once called upon business to produce and sell products and services for a profit in now forcing industry to carry out its business in the context of new constraints, clean environment, fair trade practices, congenial work environment etc. It is feared that if the social contract is dishonored it would lead to a state of chaos and disequilibria as one would be witnessing a degraded biosphere, diseased society, frustrated customers and alienated employees and a world with a plethora of problems.

2.2 This has invited several debates and counter debates among researchers, eminent thinkers, management experts, social & development workers, academicians and politicians about the social role of business. The concept of social responsibility has come to stay in the corporate world and has now acquired a central place in the literature of management and academic debates of the school of social work.

3. SOCIAL CHALLENGES OF BUSINESS

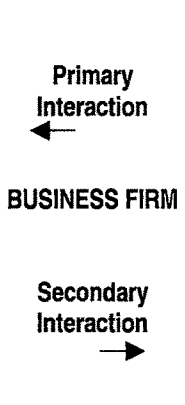
3.1 In interacting with society, business faces six fundamental social challenges.

- Achieving ecological balance
- The human element in work
- Improving productivity
- Global pressures, demands and needs
- Balancing ethics and economics
- Designing social partnerships (concern area for Corporate Social Responsibility)

3.1.1 These challenges or opportunities run like constant threads through all business and society relations. As stakeholders along with stockholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially

responsible manner .Thus CSR emphasizes the focus of business activities from the primary interactions also to extend to the Secondary interactions with society. Thus compelling companies from focusing on a Single bottom line performance (economic performance) to triple bottom line performance i.e. (economic, social and environmental performance)

3.2 Primary & Secondary interaction of business with society

Stockholders	Primary Interaction 	Local Communities	Domestic, Foreign
Employees		Federal State Local Govt	Executive, Legislature, Courts, Political Parties
Creditors		Foreign Govt	Friendly, Hostile
Suppliers		Social activist group	Women, Minorities, Consumers, Churches, Environmentalists
Wholesalers Retailers		Media	Films, TV, radio, newspapers, magazine
Customers		Public Opinion	Positive, Negative

3.3 Many companies that have integrated social and environmental aspects into their business plans found that they can improve relations with legal and political entities, effectively address to concerns of external stakeholders, discover areas of strategic advantage and improve their management systems. Integrating such aspects into performance objectives can help companies align their business objectives with the societal expectations. Corporations deal with a wide variety of social issues and problems, some directly related to their operations, some not and actively seeks the support of labour , personnel, HR officers and industrial social workers in addressing various problems relating to labour and employees internal to the industry and needs for welfare and development of individual, group and local communities for organization effectiveness, improved productivity and development of skilled workforce and improving the quality of life of communities. It would not be possible to adequately describe all of the social issues faced by business.

3.4 This section will briefly discuss three contemporary issues that are of major concern: the environment, global issues, and technology issues.

4. CONTEMPORARY ISSUES

4.1 Environmental Issues Corporations have been criticized for their negative effect on the natural environment in terms of wasting natural resources and contributing to environmental problems such as pollution and global warming. There is both governmental and societal pressure on corporations to adhere to stricter environmental standards and to voluntarily change production processes in order to do less harm to the environment. Other issues related to the natural environment include waste disposal, deforestation, acid rain, and land degradation. It is likely that corporate responsibilities in this area will increase in the coming years.

4.2 Global Issues Corporations increasingly operate in a global environment. The globalization of business is an irreversible trend, but there are many opponents to it. Critics suggest that globalization leads to the exploitation of developing nations and workers, destruction of the environment, and increased human rights abuses. It has also been argued that globalization primarily benefits the wealthy and widens the gap between the rich and the poor. Proponents of globalization argue that open markets lead to increased standards of living for everyone, higher wages for workers worldwide, and economic development in impoverished nations. Many large corporations are multinational in scope and will continue to face legal, social, and ethical issues brought on by the increasing globalization of business. The most pressing issue emerging from the social work intervention point of view is the labour standards in different countries around the world. Many corporations have been charged by activists that their plants around the world were sweatshops and/or employed very young children. This problem is complex because societal standards and expectations regarding working conditions and the employment of children vary significantly around the world. Corporations need to decide various responsible option adopting the standards of the countries in which they are operating or imposing a common standard worldwide. Another important issues is that of safety conditions in plants w.r.t occupational hazards and safety of the human workers with effective safety and protection standards around the world. Another issue in global business that of marketing goods and services in the international marketplace. Some U.S. companies, for example, have marketed products in other countries after the products were banned in the United States which have implications on effects on the corporate image and reputation.

4.3 Technology Issues Another contemporary social issue relates to technology and its effect on society. Since the Internet has opened up many multiple avenues for marketing goods and services, it has also opened up the possibility of abuse by corporations. Issues of privacy and the security of confidential information must be addressed. All of these issues have severe societal and ethical implications. As the technological capabilities continue to advance, it is likely that the responsibilities of corporations in this area will increase substantially.

4.4 Complexity of the Subject Corporate Social Responsibility is a complex topic. There is no question that the legal, ethical, and discretionary expectations placed on businesses are greater than ever before. Few companies totally disregard social issues and problems. Most purport to pursue not only the goal of increased revenues and profits, but also the goal of community and societal betterment. Research suggests that those corporations that develop a reputation as being socially responsive and ethical enjoy higher levels of performance. However, the ultimate motivation for corporations to practice social responsibility should not be a financial motivation, but a moral and ethical one.

5. CORPORATE : AN OVERVIEW

5.1 A company/corporate is the creation of the law. It is not a human being but is an artificial person. On incorporation, the company acquires a separate legal entity distinct from and independent of its members. Unlike a partnership firm, which has no separate legal entity, a company has a separate corporate existence. Since a company has a separate legal entity, a shareholder can be the director, creditor of the company, office bearer of the trade union, etc all at the same time. A shareholder cannot be held personally liable for the acts of omission and commission of the company, even though he holds almost the entire share capital of the company (1). This makes the dominant or majority shareholders relaxed businessmen and very less attention is paid to the legal and the other requirements. The moment legal requirements are violated law steps in and make the defaulting persons responsible for the wrong act or omission. There is no requirement that a company must be a "morally abiding company" though minimum quantum of morality is incorporated by the legislature in various laws of the country. The same is also present in the "ground norm of all laws" popularly known as the Constitution of India. These are, however, at most a "moral appeal" and have no force of a binding law. This nature

and existence of moral appeal is also desirable since morality cannot be imposed but it is inherent in the very existence of human being. In fact, none has a right to tell what is morally good for another to do.

The researcher submits that same holds equally true about companies and corporate social responsibilities and should be in addition to those provided by the law on a compulsory basis. Thus, the most ideal situation is that where the companies fulfill both the legal mandates and the moral appeal voluntarily and in their true letter and spirit.

Let us now develop understanding on concept and meaning of Social Responsibility

6. WHAT DOES A SOCIALLY RESPONSIBLE MANAGEMENT OF A BUSINESS ORGANIZATION MEAN?

6.1 It means that the employees or managers have an awareness of the firm's obligations to solve some of the problems facing society. It also means the top management visualizes the impact of their business operations on both the environment and society and takes initiatives through welfare, health and safety standards to respond to these needs. The awareness of social problems must exist in the firm's relationships with its customers, owners, employees, supplies, creditors, management, government, community, and society in general; second there must be a willingness on the part of the firm to help solve some of these social problems. Third, and more specifically it must attempt to make decisions and actually commit resources of various kinds in some of the following problem areas and develop strategies to discharge these duties through policies, programmes and services.

1. Pollution problems-air, water, solid waste, land, noise.
2. Poverty and discrimination problems – minority groups and women, urban problems.
3. Consumerism –product safety, misleading advertising, consumer complaints.
4. Other community related issues and social problem areas.

6.2 It is equally important to discuss the business views on Social responsibility since not only the business bears the onus of being responsible but other sectors of society also needs to effectively partner in addressing various social issues with the parent organizations.

However the concern here of the researcher is in closely dissecting the nature of the corporate sectors, how their role in society, market image, preferred capabilities and expertise, structured organization framework, competent human resources, management excellence can be effectively utilized for addressing the vital issues confronting the social work profession particularly poverty, unemployment, illiteracy, absenteeism, disability, problems of exclusion, marginalized groups and communities and several problems arising due to human suffering, psycho social dysfunction , poor coping mechanisms and adjustment in social and occupational settings can be addressed through designing internal policies for organizations and developing effective response through corporate community involvement and partnerships

6.3 Business Views On Social Responsibility

6.3.1 Business believes that Social responsibility is not an alternative to national laws. Compliance with the law is the minimum acceptable level of performance Social responsibility in business view refers to initiatives that go beyond legal compliance. Most countries have national laws covering human rights, environmental protection, labor rights, civil freedom etc. The problem has been that many of these laws are not adequately implemented and enforced. Business firmly believes that improving the capacity of national governments to implement and enforce their existing laws remains one of the most pressing social needs globally. Second elements of what we today call social responsibility have been part of business practices for some time. What is new is that companies and other organizations have begun exploring different ways to coordinate these activities internally to improve their efficiency and effectiveness. Third social responsibility is complex. The range of issues covered is very broad, including ethics, labor rights, environment, human rights, community development, charity and many more. The ability of any single tool to adequately address all these areas could be debated. Fourth social responsibility is still evolving the policies, strategies, management tools, metrics and mix of all employee skills used to address Social responsibility are in a state of constant change. In almost every critical aspect of social responsibility nothing is still. Fifth at the organizational level, social responsibility challenges and opportunities are unique to each company. Each business looks at social responsibility issues in different ways and engages for different reasons.

Each organization must address social responsibility in the context of its own employee's products or services, customers, suppliers, locations and capacities to name a few. There is no one size fits all approach and this diversity and multiplicity of approaches lies at the heart of the success of social responsibility.

Business should have the ability and flexibility to voluntarily go above and beyond legal requirements to advance social responsibilities in the way it deems most appropriate. Business views on social responsibility place a heavy emphasis on the various stakeholders who represent the different interests groups of society where corporations operate, be they workers, consumers, social justice NGOs, environmentalists, indigenous groups and so on, all with a legitimate right to demand socially responsible corporate behavior. In the new Global civil society (GCS), corporations represent the corporate citizen, who, as anybody, is subject to rules and must be socially responsible. Therefore, the stakeholders are all the members belonging to the corporation's social environment , which contribute to, or are encroached by, the corporation's activity. In this way, Corporate Social Responsibility is the inherent obligation of each business entity to account for the way its activity impacts the economic, social and environmental dimensions of its environs and to ensure that this impact generates equitable and sustainable benefits and no harm to all stakeholders involved.

Thus the researcher in the later section has also delved in the concept and understanding of stakeholders with respect to stakeholder engagement and response.

6.3.2 Another objective of corporate has been to maximize profits for the benefit of their shareholders worry at all about serving the interest of society at large? The larger argument is a business cannot succeed in a society which fails and the researcher submits that this could be one of the important assumptions for preparing the grounds for CSR . This, therefore, clearly establishes the stake of a business organization in the good health and well being of a society of which it is a part. More importantly, in this age of widespread communication and growing emphasis on transparency, customers of any product or service are unlikely to feel satisfied in buying from a company that is seen to violate the expectations of ethical and socially responsible behavior. We find, therefore, that to a growing degree companies that pay genuine attention to the principles of socially responsible behavior are also favoured by the public and preferred for their goods and services.

6.3.3 The current concept of corporate social responsibility covers a range of issues that could perhaps be covered under and be linked the concept of sustainable development and discuss issues needs to also address CSR agenda as a response to sustainable development.

6.4 Sustainable Development and CSR

6.4.1 Protection of the environment and a country's natural resources would certainly be a paramount element of the concept of sustainable development. But what would be equally important is the need to ensure that society does not suffer from disparities of income and provision of basic services like health care, education and literacy. To carry this list further, it could be argued that the United Nations' Millennium Development Goals (MDGs) and the WEHAB (Water, Energy, Health, Agriculture, and Biodiversity) agenda of the UN Secretary General are key essentials for bringing about a solution to the very basic problems facing society. Consequently, if corporate actions are to target the most fundamental problems facing a poor country like India, then the components of the MDGs, including water and sanitation, prevention of eradicable diseases and the items included in the WEHAB agenda in some sense become guideposts for corporate social strategy and action as well as implications for strategic social work interventions. BCSD (Business Council for social Development Core BSCD) India is a unique grouping of corporate organizations that, for instance, are trying collectively and individually to build in sustainable development concepts in their operations. Core-BCSD India includes some of the most innovative, some of the largest and also the most forward looking organizations in the country. The objectives of sustainable development rest within the principles of corporate social responsibility because unless the needs of society, both present and future, are served, sustainable development would remain only a myth and the most significant step in pursuing corporate social responsibility is to proactively protect the environment followed by social issues and problems confronting the society.

The conceptual framework will provide meaningful insights on the above issues .

7. CORPORATE SOCIAL RESPONSIBILITY - A CONCEPTUAL FRAMEWORK

7.1 At its simplest, Corporate Social Responsibility is a simple notion that sets a framework for business managers to protect their company's long-term profitability, but it's more about how profits are made than how much profit there is, or how much is given away. Addressing the notion of Corporate Social Responsibility means understanding how companies have to relate to the wider world; and the

impact that their activities have on society and the environment. However, behind this apparently simple construct lays a certain essential doubts in the researcher about what Corporate Social Responsibility really is ,how it has been positioned in the Industry , how it functions, why it functions , how and why is it necessary for business and society so to have a microscopic view on the emerging implications for knowledge and skills needed in the area.

7.2 Corporate Social Responsibility is evolving both as a concept and as a professional discipline. Philanthropy and community investment are being replaced by a more focused business case approach to the subject where the aim of Corporate Social Responsibility is to protect and enhance shareholder value through a combination of innovative partnerships, initiatives and good communication leading to increased sales. Corporate Social Responsibility has also become a powerful weapon for employee selection and retention. Practitioners hope that once the business case for Corporate Social Responsibility is proven, it shall be given due priority since it will be integrated with the core business vision.

8. CSR EMERGENCE

8.1 The present form of Corporate Social Responsibility has emerged in the 1990s and represents a convergence of ideas and concepts. The most significant source of the current Corporate Social Responsibility concept is related to the concerns about environment. It roots in the idea of sustainable development, inspired by the Brunt land Commission in the end of the 1980s and accepted by the Rio Earth Summit in 1992. One of the most important aspect of Corporate Social Responsibility is the idea that there is a "business Case" for responsibility. Developments in corporate governance and business studies, according to which not only the financial performance of a company can be objectively measured, but the non-financial performance can also be analyzed, reported even auditing and certifying methods should be developed. This thinking by world business and corporate leaders led to an approach, expressed by the term "triple bottom line", which links financial, environmental and social performance of companies. A second source of the current corporate social responsibility concept came from the consequences of liberalization, deregulation and privatization, as well as from the growth of public private partnerships in the last decades. Parallel with the above trend of businesses taking more of the tasks, Governments were thought to perform before, the expectations of business to its social responsibilities also increased. A third element of the corporate social responsibility concept were the

developments relating to the codes of conduct ,standards and guidelines adopted by companies and meant to be applied to the labor practices of their subcontractors.

8.2 Last but not least, is the incorporation of human resource development social work HRD into the concept of corporate social responsibility and strong linkages of both with CSR since both aims at improving and enhancing people functions in organizations and society be they with focus on while the HR function has gained focus now , corporate/industrial social work is being practiced since the welfare era. An array of codes of conduct, international treaties, conventions and declarations, business principles and processes have emerged to populate the corporate social responsibility landscape.

Thus the research would like to submit that looking into the emergence social work can be found embedded into the inherent nature of corporate social responsibility through various programmes of labour and community welfare and adherence to labour, safety and health standards as specified in the Factories Act 1948 to the new ways of designing effective employee strategies to combat the problems of industrial labour and working class and improve condition of communities thus focusing on various internal and external dimensions of CSR.

It is important at this stage to look into how the above factors have taken shape.

9. TYPES AND NATURE OF CORPORATE SOCIAL RESPONSIBILITY: DIFFERENCES AND SIMILARITIES

9.1 Traditional corporate philosophy is only one of three broad areas in which business companies can and should discharge their social responsibility. These are

1. Traditional Corporate Philanthropy
2. Corporate Social Responsibility with a focus on sustainable development and attending to stakeholder priorities
3. Ethical Business

9.1.1 Traditional Corporate Philanthropy dates back to the 19th century and emerged out of a variety of factors such as concern for welfare of immediate members of the corporate body, their staff employees and their families, innovative contributions by visionary business leaders in quest for personal satisfaction who built up philanthropic institution out of their individual shares, desire to

establish strategic relationship with the state or society led some corporate bodies to invest in the establishment of institutions that fulfill needs of the deprived sections of the community, the establishment of trusts and foundations for tax benefits which also supported socially beneficial activities

9.1.2 Corporate Social Responsibility is qualitatively different from the traditional concept of corporate philanthropy. It acknowledges the debt that the corporation owes to the community within which it operates as stakeholders in corporate activity. It also defines the business corporation partnerships with social action groups in providing financial and other resources to support development plans, especially among disadvantaged communities. The emerging perspective on Corporate Social Responsibility focuses on responsibility towards stakeholders (shareholders ,employees , management , consumers and community) rather than on maximization of profit for shareholders. There is more stress on long term sustainability of business and environment and development and well being of the people. There is an increasing recognition of the triple bottom line , people , planet and profit or the social environment and economic performance which was earlier only a single bottom line economic performance. The triple bottom line stresses the following The stakeholders are not just companys shareholders, sustainable development and economic sustainability, corporate profits to be analyzed in conjunction with social prosperity. In the traditional paradigm most corporate bodies viewed corporate social responsibility as the extension of a financial input for a humanitarian cause. However in the contemporary context it is more complex “ A company that undertakes activities aims at communities (be they philanthropic, social investment or commercial initiatives) but does not comply with business ethics cannot be termed socially responsible (Shrivastav Harish and Vekatshwaran Shankar), Business of Social responsibility, 2000)

9.1.3 Ethics and ethical business is the more fundamental emerging trend on the international scene. It focuses on how the business is conceptualized, how a business is operated, the impact of the business on society and environment and notion of fair profit. Corporate Social Responsibility can be defined as the "economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll and Buchholtz 2003, p. 36).

9.1.4 The concept of Corporate Social Responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and

comply with the law. A traditional view of the corporation suggests that its primary, if not sole, responsibility is to its owners, or stockholders. However, Corporate Social Responsibility requires organizations to adopt a broader view of its responsibilities that includes not only stockholders, but many other constituencies as well, including employees, suppliers, customers, the local community, local, state, and federal governments, environmental groups, and other special interest groups. Collectively, the various groups affected by the actions of an organization are called "stakeholders." The stakeholder concept is discussed more fully in a later section. Corporate Social Responsibility is related to, but not identical with, business ethics. While Corporate Social Responsibility encompasses the economic, legal, ethical, and discretionary responsibilities of organizations, business ethics usually focuses on the moral judgments and behavior of individuals and groups within organizations. Carroll and Buchholtz's four-part definition of Corporate Social Responsibility makes explicit the multi-faceted nature of social responsibility. The economic responsibilities cited in the definition refer to society's expectation that organizations will produce good and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations are expected to be efficient, profitable, and to keep shareholder interests in mind. The legal responsibilities relate to the expectation that organizations will comply with the laws set down by society to govern competition in the marketplace. Organizations have thousands of legal responsibilities governing almost every aspect of their operations, including consumer and product laws, environmental laws, and employment laws. The ethical responsibilities concern societal expectations that go beyond the law, such as the expectation that organizations will conduct their affairs in a fair and just way.

9.1.5 This means that organizations are expected to do more than just comply with the law, but also make proactive efforts to anticipate and meet the norms of society even if those norms are not formally enacted in law. Finally, the discretionary responsibilities of corporations refer to society's expectation that organizations be good citizens. This may involve such things as philanthropic support of programs benefiting a community or the nation. It may also involve donating employee expertise and time to worthy causes. Since corporations have social obligations, the concept and practice of corporate social performance has been advocated which would enable the corporations to focus on the required content of corporate social action.(Mc Williams and Siegel 2001) (Wood 1991).

Let us now discuss the various definitions of CSR to understand its various dimensions contributed through thinkers ,authors and experts and develop a common understanding to evolve a framework to suit Social Work & HR Objectives and goals .

10. DEFINITIONS OF CORPORATE SOCIAL RESPONSIBILITY

10.1 What is Corporate Social Responsibility ?

10.1.1 Corporate Social Responsibility has become a cult term. Recent eye opening corporate misbehaviours in the United States has given the significance of business ethics profound attention. Corporate Social Responsibility and ethics are not identical but the concept of Corporate Social Responsibility has a clear ethical basis. Corporate Social Responsibility included social environmental and financial issues as well as legal compliance. What all these terms imply is that companies need to focus not just on making money but on how they do it and why they are in business in the first place. Corporate Social Responsibility is a strategic issues because it requires companies to examine why they are in business and what they need to do to stay in business. **(Chartered Institute of Personnel & Development Guide 2002)**The term “Corporate Social Responsibility” is used to name the attitude of ethically right business behavior and to describe a company’s actions towards any sort of social improvement and communal benefit. The “Corporate Social Responsibility” notion is as much abstract as it is concrete. Its existence is revealed in anything from the shared company vision to the direct company action. The broad range of areas in which Corporate Social Responsibility is categorized include

1. Involvement in the community
2. Internal corporate culture
3. Education and leadership development
4. Corporate governance and business ethics
5. Environmentally friendly business

10.1.2 A variety of terms are used - sometimes interchangeably to talk about Corporate Social Responsibility business ethics, corporate citizenship, corporate accountability, sustainability. Corporate Social Responsibility can be defined as “ A concept where by companies decides voluntarily to

contribute to a better society and a cleaner environment” (**Green paper-Europe**). Another way it is defined is that “Corporate Social Responsibility is responsibility to customers, workers, shareholders and the community (**International seminar on Social responsibility of business-1965**). Corporate Social Responsibility promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the well-being of employees, the community and civil society in general, both now and in the future. There is no universally agreed definition of Corporate Social Responsibility. CSR has been used to counter or complement trade union objectives and is the subject of debate over the relationship of business to society, the outcome of which will affect employees and their representatives.

10.1.3 Several approaches for defining CORPORATE SOCIAL RESPONSIBILITY include the following: Corporate Social Responsibility is a commitment by a company to manage its role in society as producer, employer, market player, customer and citizen in a responsible and sustainable manner. The commitment can include a set of voluntary principles over and above legal requirements that seek to ensure that the company has a positive impact on societies, in which it operates. Corporate Social Responsibility is “good corporate governance” doing good /not being seen as doing good/ by recognizing the company’s responsibility to all its stakeholder groups. Corporate Social Responsibility is a concept, whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on voluntary basis. Corporate Social responsibility has also been defined as “achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment.” CSR means addressing the legal, ethical, commercial and other expectations society has for business, and making decisions that fairly balance the claims of all key stakeholders. In its simplest terms it is: “what you do, how you do it, and when and what you say. ”In this sense, corporate social responsibility is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company wherever the company does business and includes responsibility for current and past actions as well as future impacts. The issues that represent a company's Corporate Social Responsibility focus vary by business, by size, by sector and even by geographic region. In its broadest categories, Corporate social responsibility typically includes issues related to:

1. Business ethics,
2. Community investment,
3. Environment, governance,
4. Human rights
5. Marketplace and workplace

10.1.4 Companies need to answer to two aspects of their operations.

1. The quality of their management - both in terms of people and processes The nature of, and quantity of their impact on society in the various areas, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce. Out of the various stakeholders, it is financial analysts who are predominantly focused as well as past financial performance on quality of management as an indicator of likely future performance
2. Outside stakeholders are taking an increasing interest in the activity of the company.

10.1.5 The behaviors characterizing good corporate citizenship have been investigated under various labels: Corporate Social Responsibility (e.g., Carroll, 1979; Sethi, 1979), corporate social responsiveness (e.g., Frederick, 1978; Strand, 1983), corporate social performance (e.g., Stanwick and Stanwick, 1998; Wood, 1991) and corporate citizenship (e.g., Maignan, Ferrell and Hult, 1999; Reilly and Myron, 1994). While corporate citizenship and Corporate Social Responsibility are commonly used terms (e.g., Andriof and McIntosh, 2001; Brandeleer, 1997; McIntosh et al., 1998), no single definition has been widely accepted and multiple conceptualizations coexist Many different business organizations and researchers have attempted to provide their own definitions Corporate social responsibility, However, two common features appear in existing Corporate social responsibility conceptualizations: (1) companies have social obligations in addition to economic responsibilities; and (2) a socially responsible firm has the duty to address the concerns and satisfy the demands of its main stakeholders - employees, shareholders, customers, suppliers, the media, regulators, and pressure groups. According to Carroll (1979) and Maignan, Ferrell and Hult (1999), Corporate social responsibility has an economic, a legal, an ethical and a philanthropic face.

Socially responsible companies are expected: (1) to be profitable while providing desired goods and services (fulfill their economic responsibilities), (2) to obey the law (fulfill their legal responsibilities), (3) to follow codes of conduct considered as morally right (meet their ethical responsibilities), and (4) to contribute actively to the well-being of the communities in which they operate (address their philanthropic responsibilities). Maignan, Ferrell and Hult (1999) add the fact that these responsibilities are imposed on companies by their various stakeholders. Given the broad conceptualization of Corporate social responsibility, it is not surprising that the domains of socially responsible behaviors are many and diverse. Sen and Bhattacharya (2001) summarize different Corporate social responsibility action into six broad domains (on the basis of the US database Socrates, Corporate Social Ratings Monitor): (1) community support (arts, education, corporate giving); (2) diversity (sex, race, disability); (3) employee support (job security); (4) environment (environmentally-friendly products, waste management, pollution control); (5) non-US operations (overseas labor practices, operations in countries with human resources violation); and (6) product (safety and research and development).

10.2. List Of Definitions Of Corporate Social Responsibility.

10.2.1 McGuire (1963) The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations. Davis (1973) The firm's consideration of, and response to issues beyond the narrow economic, technical, and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks

10.2.2 Sethi (1975) Corporate Social Responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations

10.2.3 Davis and Blomstrom (1975) Corporate Social Responsibility is the managerial obligation to take action to protect and to improve both the welfare of society as a whole and the interest of organizations.

10.2.4 Frederick (1978) Corporate social responsiveness is the capacity of a corporation to respond to social pressure, the literal act of responding ; or of achieving a generally responsive posture to society.

10.2.5 Carroll (1979) The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time .

10.2.6 Wood (1991) Corporate Social Performance is a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.

10.2.7 Brown and Dacin (1997) Societal view of CORPORATE SOCIAL RESPONSIBILITY company's status and activities with respect to its perceived societal obligations.

10.2.8 World Bank (Altman, 1998) Social responsibility is the practice of matching companies with the rest of society corporate citizens are engaging in partnerships for community development all over the world

10.2.9 McIntosh et al. (1998) Corporate citizenship is concerned with the relationship between companies and society – both the local community which surrounds a business, and whose members interact with its employees, and the wider and increasingly worldwide community which touches every business through its products, its supply chain, its dealer network, its advertising, and so on

10.2.10 Marsden and Andriof (1998) quoted in Andriof and Marsden (2000) Good corporate citizenship can be defined as understanding and managing a company's wider influences on society for the benefit of the company and society as a whole McIntosh and Mohan (1999) Responsible business is about recognizing social and environmental concerns as part of core business practice Maignan, Ferrell and Hult (1999) Corporate Citizenship is the extent to which company assumes economic, legal, ethical and discretionary responsibilities imposed on them by its various stakeholders

10.2.11 Warhurst (2001) A strategy of Corporate Social Responsibility is defined as the internalization by the company of the social and environmental effects of its operations through proactive pollution prevention and social impact assessment so that harm is anticipated and avoided and benefits optimized. Contribute in ways that go beyond traditional responsibilities to shareholders, employees, and the law, and that internalize indirect socio-economic and bio geophysical effects as well as direct impacts. Corporate Social Responsibility Europe presents three main elements that usually reappear in the conceptualization of Corporate Social Responsibility :

1. On a voluntary basis the company takes on board some other objectives than the maximizing of profits;

2. The company has a responsibility, not only to the shareholders, but also to all stakeholders and broader society. This responsibility should show in the policies, decision-making, business processes, daily activities and communication of the company.
3. Usually the term also refers to companies that do more than usual, and thus are innovative in their social, ecological or ethical management. (Belgian Business Network for Social Cohesion)

10.2.12 Ferrel and Freidriches: Corporate Social Responsibility is to maximize the positive impact and minimize the negative impact

10.2.13 Confederation of Indian Industries : Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of workforce and their families as well as of the local community and society at large.

10.2.14 Corporate Social Responsibility is undertaken when favourable investors decides voluntarily to contribute to a better society and a cleaner environment" **(Green paper-Europe)**.

10.2.15 Another way it is defined is that "Corporate Social Responsibility is responsibility to customers, workers, shareholders and the community (international seminar on social responsibility of business-1965).

10.2.16 The World Business Council for Sustainable Development (WBSCD) has defined Corporate Social Responsibility as "the commitment of business to contribute to sustainable economic development....."The primary purpose of Corporate Social Responsibility is to engage with the internal and external stakeholders. Corporate Social Responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. The aim of social responsibility is to create higher standards of living, while preserving the profitability of the corporation. (Michael Hopkins 1998)

The researcher would like to remark that these broad domains are typical from the US conception of corporate social responsibility and it has been noted that the nature of the actions typifying corporate social responsibility is likely to vary across countries and industries (ARESE, 2001; Maignan and Swaen, 2000).

10.3 US and European Focus of Corporate Social Responsibility

10.3.1 Traditionally in the United States, Corporate Social Responsibility has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving. The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. This model is more sustainable because:

1. Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society.
2. When times get hard, there is the incentive to practice Corporate Social Responsibility more and better - if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when external push factors come.

10.4 Other definitions

10.4.1 The World Business Council for Sustainable Development in its publication "Making Good Business Sense" by Lord Holme and Richard Watts, used the following definition. "Corporate Social Responsibility 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"

10.5 Concluding arguments on concept of Corporate Social Responsibility

10.5.1 Basically two arguments are used to support Social Responsibility. The first the Social Contract, which is based on the notion that business firms do not exist in a vacuum but are part of the society which creates and supports them. Corporate bodies owe their existence to laws developed by society. The second argument relates to the quality of life than merely supplying quantities of good and services. Since business exists to serve society, its future depends on the quality of management response to the changing expectations and social milieu.

10.5.2 Researchers Level of agreement on the Concept and understanding Corporate social responsibility

On the basis of Clark C Abt (1976) writers experience with corporate management and analysis of several definitions cited above by the researcher it can be said that there is widespread agreement (among all or most industries in all or most areas) or core consensus, that corporations are responsible for the following

1. Obeying major law, particularly where the law also has widely accepted moral sanctions associate with it such as laws against murder, enslavement and larceny.
2. Humane treatment of employees, usually but not always enforced by law.
3. Honest truthful and fair dealing with other enterprises consumers and employees
4. Truthful financial reporting
5. Respect for the intent as well as the letter of contracts in providing a reasonable quality and quantity of product or services for the price negotiated
6. Providing or at least attempting to provide a fair return on investment to shareholders through profits
7. Equal employment opportunity for entry level jobs only

There is majority agreement among most industries in most locations that corporate responsibility includes these points.

8. Internal accounting and capital budgeting of all major expenditures including those for social benefits
9. Obeying all laws including those weakly enforced restricting pollution or unsafe practices and products, establishing minimum wages and so on.
10. Complete truthfulness in advertising
11. Non harmfulness of products and services
12. Non harmfulness of production processes to local communities in which they are situated

13. Employee benefits that assure family health, security, and welfare at least as long as a person is employed and afterward if his/her employment ends with retirement
14. Modest contributions to local charitable causes in kind or in cash to the extent that these do not reduce after tax earnings by more than 2 percent.
15. Equal employment opportunity for all races and both sexes at all levels
16. Some sort of recording of social responsibility actions and disclosure of these to shareholders in at least a qualitative form

There is minority agreement among most industries in only some locations or among only some industries in most locations) on the following points.

17. Active efforts to achieve equal employment opportunities both racial, and sexual at all levels, including the officer level, regardless of difficulty and cost.
18. Actively improving the local environment of the company by reducing pollution and by other actions
19. Actively working to improve the quality of life of life of employees, consumers, and local residents by whatever means are consistent with company requirements for financial performance
20. Actively pursuing improved social justice and quality of life for all by direct actions concerning customers, suppliers, and any other groups that are affected directly by the company.
21. Measuring recording and publicly disseminating detailed descriptions of social benefits and costs and social assets and liabilities generated by the company on a regular , periodic, quantitative and objective basis as is done in annual financial reports.

10.5.3 Three levels of Corporate Social Responsibility correspond approximately to those outlined by Eleanor Sheldon of the Russell sage foundation: first (and widely agreed to) that “business has the responsibility to make a profit while dealing fairly and honestly”; second (and probably agreed to by the majority) that “business has a responsibility to society with respect to its employees and products, and a responsibility to mirror the ideas and values of the society within its own microcosm”; and third, that “it is a primary obligation of business to use its power, to promote social ends perceived as moral”. Since the level of acceptance tends to move up with time, we may accept all 21 requirements to be in the “widely accepted” category in a few years.

To some extent the degrees of responsibility for actions are independent of the degrees of responsibility for measuring and recording them. It is quite conceivable that company would elect to be rather activist in its definition of its social responsibility, but would deploy complex audits for measuring the results of its efforts.

Based on Clark Abts view the researcher agrees that the first sixteen points in the list should be bare minimum standards. Companies should be encouraged to accept as much Corporate Social Responsibility as they feel they wish to accept seriously and should be supported with necessary assistance needed to discharge these responsibilities to various stakeholders.

Since the focus of this research is to Corporate Social Responsibility with reference to community development programmes an overview of various stakeholders would be important in the initial discussion followed by related concepts in the later series of discussion.

11. CORPORATE SOCIAL RESPONSIBILITY & STAKEHOLDERS INVOLVED

11.1 Stakeholders are defined as those who have an effect on and are affected by the operations of corporations. These broadly include suppliers, employees, local community, customers and shareholders. One way of categorizing stakeholder groups is to classify them as primary or secondary stakeholders. Primary stakeholders have some direct interest or stake in the organization. Secondary stakeholders, in contrast, are public or special interest groups that do not have a direct stake in the organization but are still affected by its operations and the concern of the researcher is with the secondary stakeholders

11.1.1 The owners of a firm are among the primary stakeholders of the firm. An organization has legal and moral obligations to its owners. These obligations include, but are not limited to, attempting to ensure that owners receive an adequate return on their investment. Employees are also primary stakeholders who have both legal and moral claims on the organization. Organizations also have specific responsibilities to their customers in terms of producing and marketing goods and services that offer functionality, safety, and value; to local communities, which can be greatly affected by the actions of resident organizations and thus have a direct stake in their operations; and to the other companies with whom they do business.

11.1.2 Many social commentators have suggested that companies have a direct responsibility to future generations and to the natural environment. An organization's responsibilities are not limited to primary stakeholders. Although governmental bodies and regulatory agencies do not usually have ownership stakes in companies in free-market economies, they do play an active role in trying to ensure that organizations accept and meet their responsibilities to primary stakeholder groups. Organizations are accountable to these secondary stakeholders. Organizations must also contend with civic and special interest groups that purport to act on behalf of a wide variety of constituencies. Trade associations and industry groups are also affected by an organization's actions and its reputation. The media reports on and investigates the actions of many companies, particularly large organizations, and most companies accept that they must contend with and effectively "manage" their relationship with the media. Finally, even an organization's competitors can be considered secondary stakeholders, as they are obviously affected by organizational actions.



The above diagram depicts the various stakeholders with which the business firm interacts.

In light of the above discussions an understanding of the principles evolved by United Nations Global Compact for CSR would further crystallize the understanding and providing a strong foundation for a concrete knowledge base in light of the current context of CSR.

12 PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY

12.1 Each company should follow the principles embedded in CORPORATE SOCIAL RESPONSIBILITY and enforced by the UN Global Compact. Un General Secretary , Kofi Annan invited corporate leadership in the world economy to join in a Global Compact in the year 2000 in order to spearhead the multiple and creative forces of private entrepreneurship to address the needs of the disadvantages and the requirements of future generations. The Global Compact enumerates ten principles of good business, good citizenship as follows.

12.1.1 Human Rights

Principle 1. Business should support and respect the protection of internationally proclaimed human rights

Principle 2. Make sure that they are not complicit in human abuses

12.1.2 Labour

Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4. The elimination of all forms of forced and compulsory labour

Principle 5 The effective abolition of child labour

Principle 6. Eliminate discrimination in respect of employment and occupation

12.1.3 Environment

Principle 7. Business should support a precautionary approach to environmental challenges

Principle 8. Undertake initiatives to promote greater environmental responsibility

Principle 9 Encourage the development and diffusion of environmentally friendly technologies.

12.1.4 Anti Corruption

Principle 10 Business should work against corruption in all its forms including extortion and bribery.

The objectives of CSR have been briefly enumerated by the researcher in light of several discussions and emerging assumptions as well as guiding principles on Corporate Social Responsibility with an attempt to use the conceptual framework to evolve few operational guidelines

13. OBJECTIVES OF CORPORATE SOCIAL RESPONSIBILITY

13.1. To continuously strive to create higher standards of living and quality of life, while preserving the profitability of the corporation.

13.2 To increase company value, reputation and brand image in society for better stakeholder response and companys self image

13.3 To continuously contribute towards ecology and environment through reducing the impact of industrial process on the environment and deploying effective environment management systems to combat adverse effects

13.4 To continuously contribute towards the growth of employees and communities through HRD initiatives

13.5 To conduct business in most ethical and moral ways with transparency and accountability of business functions to primary and secondary stakeholders

13.6 To support in the development of local communities by addressing social issues and problems

13.7 To ensure meaningful and constructive business society partnership for economic and social development of nation.

Researcher here would strongly like to submit that both CSR and as well as principles shrine in the UN Global compact 2000 share a common base of humanitarian, democratic, idealistic ,religious and philosophical principles, values ,objectives and framework which with the core values and ethics of social work profession.

Presented below are brief details on the growth of CSR which the researcher has classified in various Generations as given Zadek Simon (2001)

14. GENERATIONS OF CORPORATE SOCIAL RESPONSIBILITY

14.1 Corporate Social Responsibility theme has been researched since the 1950s. Notwithstanding the fact that business produces goods and services that society needs there is also interdependence between business and society as an ongoing process. Upto the 1970s the understanding of corporate social responsibility was focused on companies obligation to work for social betterment. However since the 1970s the focus has to a great extent shifted to social responsiveness to respond to the social pressures. Simon Zadek (2001) describes the development of corporate social responsibility broadly in terms of three generations. The first generation of corporate social responsibility showed that companies can be responsible in ways that do not detract from commercial success. The most prominent changes include adoption of a strategic approach to philanthropy, expansion of the geographic focus of corporate and evolving of measurement tools. The second Generation is focusing on corporate social responsibility as an integral part of long term business strategy. (D.E. Schended and C.W. Hofer 1979) .A third generation of corporate social responsibility is expected to make a significant contribution to address issues such as poverty, exclusion and environmental degradation. This will involve both partnerships with civil society and changes in public policy. (Mandatory social and environmental reporting and support for consumer education, among others) (Zadek 2001).

The succeeding paragraphs present a brief on Corporate social responsibility philosophy and historical perspectives for insights into the growth and development of Corporate Social Responsibility as a subject and field of immense importance for the development sector and social scientists , social work and HR practioners , the roots of which should be explored briefly.

15 CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

15.1 The interpretation of the term “Social Responsibility” is a question of attitude and to that extent an individual’s view on the subject will be governed by his own philosophy. In the older days in India, whenever there was a famine, the leading businessmen of the area would literally throw open their godown and their treasure chests to provide food and other assistance to the needy. The history of every religion speaks of the magnificent manner in which businessmen rose to the occasion in times of calamity. Even in ordinary times, it was the businessmen who looked after the welfare of the destitute, the Goshalas, wells and ponds wherever water was difficult to get, the Pathshalas and so on. So for us to accept social responsibility is no more than rededicating ourselves to the cherished values of our ancestors in the field of business. Even in the recent Gujarat Earthquake disaster Corporate Sectors like

Reliance, Tata , Excel group and L & T have made a significant contribution. In recent times corporations have been increasingly concerned to the society in which they exist. Not only is there a concern on their part to give back something to the community, which in turn result in the purchase of its goods and services. It is society that makes possible for men to engage in business and provides the charter to business for its existence. Hence in return business must make a contribution to the society that sustains its environment. That is, business has an obligation to the society in which it operates. The philosophy behind corporate social responsibility is clearly reflected in the growth of business and society in the pre industrial, industrial and modern era.

16 BRIEF HISTORICAL PERSPECTIVE

16.1 The nature and scope of Corporate Social Responsibility has changed over time. The concept of corporate social responsibility is a relatively new one the phrase has only been in wide use since the 1960s. While the economic, legal, ethical, and discretionary expectations placed on organizations may differ, it is probably accurate to say that all societies at all points in time have had some degree of expectation that organizations would act responsibly, by some definition. During the initial phase of industrial development in the western countries, philanthropic contributions to civil society were popular. The initial debate on corporate social responsibility took place in the United States during the 60s. During this period, the debate focused on the changing role of companies in society, and the increased power especially of multinational companies among others. In the eighteenth century the great economist and philosopher Adam Smith expressed the traditional or classical economic model of business. In essence, this model suggested that the needs and desires of society could best be met by the unfettered interaction of individuals and organizations in the marketplace

16.2 In the late nineteenth century many of these individuals believed in and practiced a philosophy that came to be called "Social Darwinism," which, in simple form, is the idea that the principles of natural selection and survival of the fittest are applicable to business and social policy. This type of philosophy justified cutthroat, even brutal, competitive strategies and did not allow for much concern about the impact of the successful corporation on employees, the community, or the larger society. Around the beginning of the twentieth century a wave against the large corporations began to gain momentum. Big business was criticized as being too powerful and for practicing antisocial and anticompetitive practices. The labor movement also called for greater social responsiveness on the part of business. Between

1900 and 1960 the business world gradually began to accept additional responsibilities other than making a profit and obeying the law. In the 1960s and 1970s the civil rights movement, consumerism, and environmentalism affected society's expectations of business. Based on the general idea that those with great power have great responsibility, many called for the business world to be more proactive in (1) ceasing to cause societal problems and (2) starting to participate in solving societal problems. Many legal mandates were placed on business related to equal employment opportunity, product safety, worker safety, and the environment. Furthermore, society began to expect business to voluntarily participate in solving societal problems whether they had caused the problems or not. This was based on the view that corporations should go beyond their economic and legal responsibilities and accept responsibilities related to the betterment of society. This view of Corporate Social Responsibility is the prevailing view in much of the world today.

16.3 Though the concept of corporate social responsibility has only been recently formulated there is a long history in both the east and west of a commitment to social philanthropy in the belief that creation of wealth is primarily geared for social good. This aspect of ethical business can be traced back to 19th century when philanthropists like Robert Owen and various Quakers owned business. In 1601 Queen Elizabeth chartered East India Trading Company leading to beginning of Corporate Era. Corporations worked for Public purpose to serve the interests of sovereign and state. During 1960-1980s in England various colonies and other places various corporations chartered with designated public purpose to establish ferries canals, water systems , toll roads, bridges , banks , colleges , colonial enterprises .

16.4 In the Late 80s shifted from serving public interest to serving only stockholders interests. Westward expansion in US lead to states and towns giving benefits especially land and reducing constraints in order to attract corporations

From 1930-1950 perversion of corporate purpose completed with passage of securities acts, effectively sending messages corporations are accountable only to stockholders. It was during 1950s that corporate social responsibility theme has been researched . In spite of this fact that business produce goods and service only for society which provides it a market hence it cannot be unmindful of societies and environmental interest

Upto the 1970s the understanding of corporate social responsibility focused on companies obligation to work for social betterment, so professional organizations established working committees for this purpose, accented firms were also involved. Corporate social reporting grew to include over 90% of large companies like General Motors, Japan's Toyota Motors etc. By Tata Steel's own calculation such social expenditures on its non employee related initiatives accounted for between 8-15% of its PAT, depending on the net profits in a particular financial year. In the 1990s there was a re-emergence of attention to corporate social reporting due to liberalization, privatization, globalization, changes due to the new economic policy of 1991 and initiatives from NGOs and stakeholder organizations towards business accountability and corporate behaviour that affected the society and environment. In the wider context of post 1991 liberalization era, the then Prime Minister Late Shri Narasimha Rao was exhorting companies to voluntarily contribute at least 1% of their PAT to national and local community social causes, as part of their social obligations as good corporate citizens, the core of which still lay in a compliance with the laws of the land" ethos even if their enforcement or scope was less than effective.

16.5 In India the term Corporate Social Responsibility has evolved recently but the concept has not. It has been there since the earliest times, going back to an age when society itself was in its formative stages. It has been incorporated in the various religious laws where a part of one's earnings are donated for the benefit of the poor and community welfare. The Hindus call it "Dharmada", the Muslims "Zakat" and the Sikhs "Dashaant". The concept has been imbibed in the society from the very beginning. As individuals joined hands to form organizations, the same concept became embedded in the organizations. Gandhi's philosophy of trusteeship is similar to the Corporate Social Responsibility to the modern business world, the Gandhian notion of trusteeship has been followed by the Tatas and Birlas even since their inception. Jamshedji Tata with his vision to create Indian Iron and Steel Industry transformed a small village later known as Jamshedpur into a model of town planning and community care. The concept of the Corporate Social Responsibility is not new in India it was there since the starting of trade in the country.

16.5.1 History also states that in the past when the economic activities were at boom, the western world had adopted the unfair means to mint money at the same time India had preferred the path of social justice and the welfare in the organization of business activities.

16.6 Pre-Independence Period

16.6.1 In the pre independence era the business had very important place in the society and because of its trade practices at that time India was enjoying an excellent reputation in the international business. Few of the Indian products like woven fabric, Indigo, art pieces were in the high demand in the 18th Century. During the 17th century India, was known the “Industrial workshop” of the world.

India's economics and financial strengths were much greater as compared with the other European countries the Indian crafts and Industries were hampered badly because of the policies of East India Company during 1758 to 1857. These policies had resulted into steady declined and ultimately the fall of Indian industries..

16.6.2 In spite of the unfavorable attitudes on the part of the Britishers during the period of 1903 to 1931 was the period of India, playing increasingly important role in commerce and industry during this period the progress of industrial development proceeded on setlines. Because of the constant labor unrest in the mid of 1970 had lade the decline in the industrial growth chart. The another reason behind this was that the business class had failed to take the notice of the aspirations and expectations of the workers in the terms of fringe benefits, wages, working conditions, promotions etc. Because of this the union movements had taken place in the India which had again resulted in the poor economic performance in the country.

16.7 Modern Period

16.7.1 After the independence the emphasis was given on planned development of each sector in the country under the five year plan system due to concentrated efforts of the state which were reflected in the new business policy 1991 had changed the scenario of Indian industries. Due to increased competition and quality awareness among the customers, it was realized by the business community that unless the business policies benefits of the society, they will not be able to sustain their existence for long time. In the past two decades a series of criticisms been laid down on the unethical business practices by way of various conferences and the seminars and political platforms. All these had forced the executives to take up some of the untouched areas of social welfare further the pressures of protective legislations, customer's organizations, trade unions and changing expectations of the community had further made executives to realize that they must give up the philosophy of profiting and

must do something with emphasis on social well being. There are excellent examples of how different companies have demonstrated their social responsiveness to address pressing social problems of health, education, poverty , illiteracy, natural calamities , disability ,etc through voluntary corporate initiatives and interventions some of which are illustrated later in the Chapter.

In the United States concepts of Social responsibility have moved from three distinct phases which may be labeled as Phase I, Phase II and Phase III as outlined by (Jadeja J.D ,Social responsibilities of Business 1992,)

17. PHASES OF CORPORATE SOCIAL RESPONSIBILITY

17.1 Phase I- Profit Maximizing Management

17.1.1 The Phase I concept was based on the belief that business managers have but one single objective – to maximize profit. The only constraint on this pursuit was the legal framework within which the firm operated. The origin of this view may be found in Adam Smith's Wealth of Nations. Smith believed that individual's drive for maximum business people acting in their own selfish interest would be guided by an invisible hand to promote the public good. In other words, the individuals drive for maximum profits and the regulation of the competitive marketplace would interact to create the greatest aggregate wealth for nation and therefore the maximum public good.

17.2 Phase II- Trusteeship Management

17.2.1 Phase II which may be labeled the trusteeship concept emerged in the 1920s and 30s. It resulted from structural changes in both business institutions and in society. According to this concept corporate managers were responsible not simply for maximizing the stockholders wealth but rather for maintaining an equitable balance among the competing claims of customers , employees, suppliers, creditors, and the community. In this view the manager was seen as a "trustee" for the various contributor groups to the firm rather than simply an agent of the owners.

17.2.2 The two structural trends largely responsible for the emergence of this newer view of social responsibility were (1) the increasing diffusion of ownership of the shares of American corporations and (2) the development of a pluralistic society.

17.2.3 The emergence of largely pluralistic society reinforced the logic of the trusteeship concept. A pluralistic society has been defined as “one which has many semi autonomous groups through which power is diffused . No one group has overwhelming power over all other and each has direct or indirect impact on all others. From the perspective of business firms this translated into the fact that exogenous groups has considerable impact upon and influence over them. In the 1930's the major groups exerting significant pressure on business were labour unions and the federal Government. Today the list has grown to include numerous minority , environmental and customer groups among others. Clearly one logical approach to such a situation is to consider that the firm has a responsibility to each interested group and the managements tasks is to reconcile and balance the claims of various groups.

17.3 Phase III Quality of Life Management

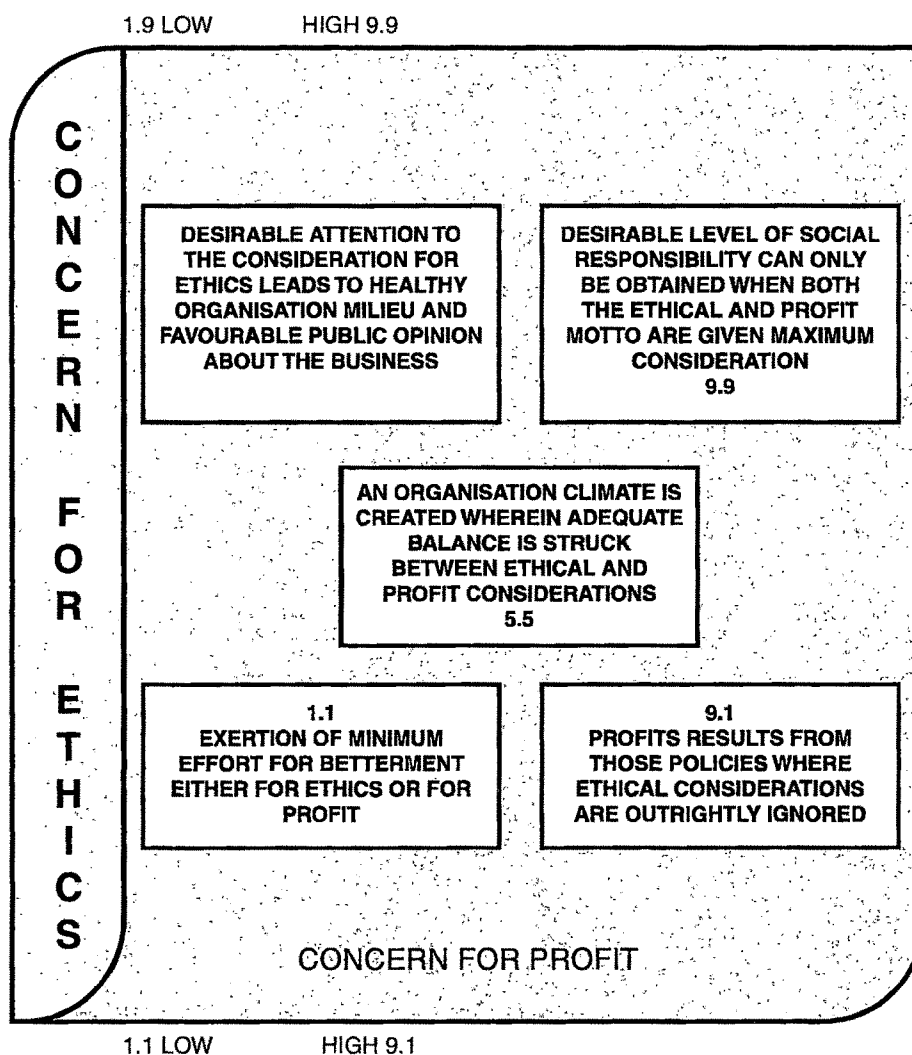
17.3.1 Phase III, which may be called the “the quality of Life concept of social responsibility, has become popular in recent years. The primary reason for the emergence of this concept is the very significant metamorphosis in societal goals which this nation is experiencing. Upto the middle part of this century, societies principal goal was to raise the standard of living of the American people, which could be achieved by producing more goods and services. The fact that the U.S. had become the wealthiest nation in the world was testimony to the success of business in meeting this expectation. In this process, however the U.S. has become what John Kenneth Galbraith calls an “affluent society” in which the aggregate scarcity of basic goods and services direct and indirect results of economic success. Thus there are pockets of poverty in nation of plenty, deteriorating cities, air and water pollution, defacement of the landscape, and a disregard for consumers to mention only a few of the prominent social problems. As a result, a new set of national priorities that stress the “Quality of Life” appears to be emerging.

The researcher also present an integrated view of Social Responsibility of Business based on the works of (Jadeja 1992)

18. SOCIAL RESPONSIBILITY OF BUSINESS : AN INTEGRATED VIEW.

18.1 The social responsibility of business has two important dimensions and both of them are equally important. Therefore, organizations' adoption of such a philosophy is surrounded between two opposing forces – one, the constraining force which requires adhering to higher levels of ethics, second, the

retraining force which restrains the company in fulfilling its socio-economic goals by compelling it to be more profit oriented. A state of equilibrium can only be obtained when dysfunction consequences of such forces are minimized. This can be effectively brought about when an integrated view of Social Responsibility is embraced. Here, an attempt has been made to project the integrated view of the concept of social responsibility of business through a social responsibility Grid. The social responsibility grid (, diagram – 1) has two dimensions. “Concern for Ethics” and “Concern for Profit”. The phrase concern for is used to convey ‘how’ managers are concerned about two dimensions of the concept



(Source : Social Responsibilities of business J D Jadeja 1992)

18.1 SOCIAL RESPONSIBILITY GRID

18.1.1 Diagram : The concern for profit aims at those policy decisions which facilitate the increase in output at minimum cost so as to boost company's profit. Here every possible unfair means is adopted for inflating the profit of business, which often calls for the disregard of the interest of various publics at large.

18.1.2 Concern for ethics interpreted in the context of corporation's commitment towards the goals of welfare of the various publics, maintaining the quality of life of people, inculcating the feelings of trust, friendliness, brotherhood in the community and maintenance of satisfying interpersonal relations with providing fair returns to investors, better services/facilities to employees. When both the factors are taken into consideration, one gets five different styles of management with respect of social responsibility of business. The 1.1 style : corporations concern themselves very little either with ethics or profit. They are pulling on for the sake of survival. No interest is shown in the ethical aspects of business and also profit is not at all bothered about. An Organization with 1.1. has bad stake in the corporate world. At the other extreme, 9.9 is a company which pays highest attention to ethics and profit. But, this is an idealistic situation hence difficult to obtain. In 1.9 style, corporations have a little or no concern for profit and high concern for ethics. These promote an environment where organization behaves like a philanthropic institution and always craves for greater social good. But in practice, it is not desirable. As profits are a must for the company's survival and growth in the long run, with this policy the corporation is bound to face extinction. In another extreme style 9.1. Management is solely profit oriented and has little concern for ethics. This type of organization can prove a menace to the society, as, it carried out business largely by unethical means. It is very ruthless as, here, society's interests are overlooked or never taken into consideration i.e. buyers are at beggars place, and employees are treated like servants, and the social interests are taken for granted. In the environment of modern economic development, corporate sector no longer functions in isolation. If the contribution of the companies in the development of the country is to be accepted, it can only be judged by the test of social responsiveness shown to the needs of the community by the companies and economic performance is no longer the sole measure as no country can progress, advance or develop unless its people and societies develop and progress. The company must behave and function as a responsible member of the society just like any other individual. It cannot shun moral values nor can it ignore actual compulsion.

The real need is for some focus of accountability on the part of management being limited to shareholders alone. In modern times, the objectives of business have to be the proper utilization of resources for the benefit of others. A profit is still necessary part of the total picture but it is not the primary purpose. This implies that the claims of various interests will have to be balanced not on the narrow ground of what is best for the community at large. The company must accept its obligation to be socially responsible and to work for the larger benefit of the community. Thus the concept of Corporate Social Responsibility is underpinned by the idea that corporations can no longer act as isolated economic entity operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away and single bottom line of economic performance is being replaced by triple bottom line of economic, social and environmental performance.

Thus the researcher would like to support Jadeja's viewpoint that with the new priorities, societal consensus seems to be demanding that business with its technological and managerial skills and its financial resources need to assume broader responsibilities and take the mandate of responsibilities that extend beyond the traditional economic scope of the Phase I concept or the mere balancing of the competing demands of the contributors under Phase III reasoning is one that becomes deeply involved in the solutions of society's major problems.

19. CSR INITIATIVES OF THE PAST AND PRESENT INDUSTRIES.

19.1 The National Dairy Development Board (NDDB) has transformed huge areas in Indian villages by empowering producers and creating a marketing outlet for their produce. Dr. Kuriens AMUL-led operation flood was the forerunner of this initiative which has spread to many states and similar operations. The Tatas, under the chairmanship of S.P. Kotwal conducted a social audit the aim of which was to find out areas where Tata was not able to discharge its responsibility towards Society. The reason for all this activity is not far to seek. Corporate Social Responsibility adds value to the social environment, the work environment, and ultimately to the company. According to a report, nine of the top ten Forbes 500 firms have something in common besides success: Corporate Social Responsibility programmes, corporate philosophy is undergoing a change, from Profit making to value creation something far more enduring. Operation Muskan this Smile Train project was flagged off in October 2002 by the Tata Steel Rural Development Society (TSRDS) Tata Steels NGO community service arm.

The TSRDS realized the urgent need for this form of reconstructive surgery at various health camps.

At on weeklong camp in Ghatshila, doctors treated 108 cleft palate cases in Deoghar, 149 people requested for the surgery. While India Inc. still calculates the pluses and minuses of good corporate conduct, Corporate Social Responsibility for the Tatas and the Birlas is an old Tradition. The tata group invested more than 150 crore on the social sector in 2002, the A.V. Birla Group Rs.57 crore, Reliance Rs.30 Crore and Infosys Rs.5 crores. Tata Steel spends as much as 12-14% of its profit after tax (PAT for 2003-04 is 1746.22 crore) for welfare activities. The Infosys foundation supports disadvantaged people directly or through organizations. The foundation prefers to work through smaller organizations and donates in kind rather than cash. For instance , recently it gave books in Kannada worth Rs.10000/- to a village library, so that it could help strengthen the local language. The middle class founders of the mega successful Infosys believe that wealth must be equitably distributed "Unless you create wealth by legal means you cannot distribute it. And without the two you do not have progress-says N.R. Narayan Murthy Chairman of this celebrated and brilliantly successful Indian IT company. Putting public good ahead of private good in every decision you make will, in fact, result in reaching the private good. To distribute its substantial wealth and formalize its social support initiatives Narayanmurthy and his wife Sudha set up the Infosys Foundation in march 1997 which receives one percent of all the companys after tax profit. All financial assistance to the needy is given in the form of need based distribution of money. In the field of education, the Foundation has instituted 26 scholarships for Ph.D scholars in 13 prestigious institutions. It has also anchored the train the trainee programme in which computer science students from engineering colleges are exposed to the latest IT trends. The foundation has also played an important role in setting up science centres and libraries and to date , 1001 libraries have been inaugurated with assistance from this foundation. The Infosys Foundation is committed to giving 30% of its funds to old people the destitute and handicapped, 15% for rural development, 30% for the education of the poor but talented children, 15% for cultural activities and 10% for health care, both in village and cities. Similarly Wipro through its Azim Premji Foundation trust is immensely contribution to the field of education through innovations and strategic approached for universalization of primary education and many other Industries have similar contributions.

After a brief conceptual orientation the succeeding topics attempted by the researcher are centered around operational aspects of CSR particularly the implementation of CSR and methods of reporting, evaluation and impact assessment.

20. SOCIAL RESPONSIBILITIES OF INDUSTRIES

20.1. Following are few important social responsibilities of Business (Monappa & Saiyyadan 2000)

20.1.1 Responsibility to the Government – Government is closely related with the business system of the country. It provides various facilities and exercises control over business but these controls are meant for overall development of business. Management can discharge its obligations to the government in the following ways

- i. Paying full taxes, being a law abiding citizen, should not corrupt public servants and democratic process, should not bud political favours by any means
- ii. Active participation in government's policies and programmes regarding upliftment and development of rural and economically backward areas. This would include creation of employment and self-employment opportunities in these areas through industrialization of the same participation in the government's economic and social programmes such as rural welfare schemes including educational schemes (with emphasis on both career oriented education and about education). Medical schemes, Family planning programmes, Participation in agricultural development programmes, Preferably through adoption of nearby villages which can serve as example to other cultivators of the benefits of scientific cultivation and use of modern technology and methods;
- iii. Helping the government in its fight against inflation by active efforts aimed at industrial growth and price stability.

20.1.2 Responsibilities to Shareholders - is a primary one since shareholders have taken the risk of investing in business and should be recognized. The interest of the majority and minority shareholder s are generally well protected through either direct participation in the management actions and be informed about the functioning of organization adequately and timely

- i. Ensuring adequate returns to the shareholders on their investment

- ii. Vindication of the trust placed by shareholders on industry by making safe, discreet and proper use of their money by aiming for increasing returns to them through expansion / diversification / increased profit.

20.1.3 Responsibilities to Employees- Workers and employees have a direct interest in the organization and they satisfy their needs by working there. It is the responsibility of the management to protect the interest of the workers and promote worker and employee welfare and development.

- i. Payment of adequate compensation for their services.
- ii. Provision of employees' welfare schemes and amenities such as housing, medical attention, education.
- iii. Opportunities for advancement in their chosen field.
- iv. Provision of good working conditions and agreements for proper training and education of the workers.

20.1.4 Responsibilities to Customers / Consumers- According to Management Expert Peter Drucker 'there is only one definition of business purpose "to create a customer. He says customer is the foundation of business and existence. A customer may be broadly defined as a person having a favourable impression of the company its products and its services Management owes a primary obligation to give a fairly deal to customers in the following ways.

- i. Supply of quality goods at reasonable price
- ii. Reliable after sales – services
- iii. Co-operation with consumers organizations and
- iv. Desisting from unfair marketing and advertising practice

20.1.5 Responsibilities to Public/Community and Society at large (the focus of the study) Business cannot exist without society and society gives Business a charter in setting up a business unit much harm is caused to the society and environment hence business should ensure social growth and development along with economic growth .

This includes responsibilities to

- i. The immediate community around the enterprise by developing and maintaining scarce resources, and maintaining and improving the environment and social condition of the surrounding areas .
- ii. The maintenance of Price stability, creation of employment and self-employment opportunities, aid (financial and participative) in times of natural calamities

20.1.6 Responsibilities to Business and industry itself

- i. Survival and development (expansions and diversification) of the enterprise through adequate ploughing back of profits.
- ii. Development of requisite infrastructure essential to development and rapid industrialization.
- iii. Active encouragement (not just verbal) for development of ancillary industries.
- iv. Desisting from practices, which threaten the existence, and functioning of competitors such as under pricing, package deal marketing.
- v. Research and development activities for developing indigenous technology, and
- vi. Expansion of the market especially through export oriented marketing strategies so as to ensure industrial growth.

21. THE GROWING RECOGNITION OF CORPORATE SOCIAL RESPONSIBILITY IN THE GLOBALIZATION CONTEXT

21.1 Corporate Social Responsibility has found recognition among enterprises, policy-makers and other stakeholders, as an important element of new and emerging forms of governance, which can help them to respond to the following fundamental changes: Globalization has created new opportunities for enterprises, but it also has increased their organizational complexity and the increasing extension of business activities abroad has led to new responsibilities on a global scale, particularly in developing countries. Considerations of image and reputation play an increasingly important role in the business competitive environment, as consumers and NGO's demand more information about the conditions in which products and services are generated and the sustainability impact thereof, and tend to reward, with their behaviour, socially and environmentally responsible firms. Even the financial stakeholders ask for the disclosure of information going beyond traditional financial reporting so as to allow them to better identify the success and risk factors inherent in a company and its responsiveness to public opinion. As

knowledge and innovation become increasingly important for competitiveness, enterprises have a higher interest in retaining highly skilled and competent personnel.

After this discussion on nature ,concept and brief historical perspective let us look at why aspect of the research problem under study and the factors responsible

22. CORPORATE SOCIAL RESPONSIBILITY – NEED AND SIGNIFICANCE FROM A SOCIAL WORK PERSPECTIVE.

22.1 The concept of Corporate Social Responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of Progress in the field of Corporate Social Responsibility, along with the dissemination of Corporate Social Responsibility strategies. Transparency and dialogue can help to make a business appear trust worthier and push up the standards of other organizations at the same time which also signify the researchers interest in undertaking the onus and assuming responsibility in this area through intensive research work. The present day business corporation functions in all environments where demands on it emanate from several groups. This has, to a considerable extent, resulted from a changed social environments and value system in the community. The realization of the social responsibility of business has spread down to the retail level today. The operations of business enterprises affect a wide spectrum. Hence there has been growing recognition that the business enterprise which makes use of the resources of the society and depends on the society for its functioning should discharge its duties and responsibilities in enhancing the welfare of the society of which it is a part and parcel. The modern day business corporation has perforce to be more conscious of the community in which it is located. Besides the social and institutional pressures on corporations they can in their own initiatives, conduct programmes of the community to make people conscious of their several roles in society such as the importance of being a good parent, and a good neighbour, and a dedicated and honest member of the community and a productive member of organizations and good citizen of society. Socially responsible initiatives by entrepreneurs have a long tradition what distinguishes today's understanding of Corporate Social Responsibility from the initiatives of the past is the attempt to manage it strategically and develop instruments for this. It means a business approach, which puts stakeholders expectations & the principle of continuous improvement & innovation at the heart of business strategies. It is said that the whole is

greater than any of its parts. However each part brings its own specifics to the whole, changing it as much as the whole changes the part.

The ongoing process of Globalization and the ever-increasing role of multinational companies (MNC's) confront the developing countries with a difficult task to catch up with the developed economies in all areas. There is a growing body of data -- quantitative and qualitative -- that demonstrates the bottom-line benefits of socially responsible corporate performance. (Redley Yelder & CSR network)

23. BENEFITS OF SOCIALLY RESPONSIBLE CORPORATE PERFORMANCE

23.1 Improved Financial Performance: Business and investment communities have long debated whether there is a real connection between socially responsible business practices and positive financial performance. In the last decade an increasing number of studies have been conducted to examine this link.

23.2 Reduced Operating Costs: Some Corporate Social Responsibility initiatives can reduce operating costs dramatically. For example, many initiatives aimed at improving environmental performance such as reducing emissions of gases that contribute to global climate change or reducing use of agrochemicals -- also lower costs. Many recycling initiatives cut waste-disposal costs and generate income by selling recycled materials. In the human resources arena, flexible scheduling and other work-life programs that result in reduced absenteeism and increased retention of employees often save companies money through increased productivity and reduction of hiring and training costs.

23.3 Enhanced Brand Image and Reputation: Customers often look to brands and companies with good reputations in Corporate Social Responsibility -related areas. A company considered socially responsible can benefit both from its enhanced reputation with the public as well as its reputation within the business community, increasing a company's ability to attract capital and trading partners.

23.4 Increased Sales and Customer Loyalty: A number of studies have suggested a large and growing market for the products and services of companies perceived to be socially responsible. While businesses must first satisfy customers' key buying criteria -- such as price, quality, availability, safety and convenience

23.5 Increased Productivity and Quality: Company efforts to improve working conditions, lessen environmental impacts or increase employee involvement in decision-making often lead to increased

productivity and reduced error rate. For example, companies that improve working conditions and labor practices among their suppliers often experience a decrease in merchandise that is defective or can't be sold.

23.6 Increased ability to attract and retain Employees: Companies perceived to have strong Corporate Social Responsibility commitments often find it easier to recruit and retain employees, resulting in a reduction in turnover and associated recruitment and training costs. Even in difficult labor markets, potential employees evaluate a company's Corporate Social Responsibility performance to determine whether it is right.

23.7 Reduced Regulatory Oversight: Companies that demonstrably satisfy or go beyond regulatory compliance requirements are given more free reign by both national and local government entities. In the U.S., for example, federal and state agencies overseeing environmental and workplace regulations have formal programs that recognize and reward companies that have taken proactive measures to reduce adverse environmental, health and safety impacts. In many cases, such companies are subject to fewer inspections and paperwork, and may be given preference or "fast-track" treatment when applying for operating permits, zoning variances or other forms of governmental permission. The U.S. Federal Sentencing Guidelines allow penalties and fines against corporations to be reduced or even eliminated if a company can show it has taken "good corporate citizenship" actions and has an effective ethics program in place.

23.8 Access to Capital: The growth of socially responsible investing (SRI) means companies with strong Corporate Social Responsibility performance have increased access to capital that might not otherwise have been available.

24. UNDERLYING REASONS FOR CORPORATE SOCIAL RESPONSIBILITY

24.1 The major arguments for and against Corporate Social Responsibility are shown in Exhibit 1. The "economic" argument against Corporate Social Responsibility is perhaps most closely associated with the American economist Milton Friedman, who has argued that the primary responsibility of business is to make a profit for its owners, albeit while complying with the law. According to this view, the self-interested actions of millions of participants in free markets will, from a utilitarian perspective,

lead to positive outcomes for society. If the operation of the free market cannot solve a social problem, it becomes the responsibility of government, not business, to address the issue.

24.2 Arguments For and Against Corporate Social Responsibility

FOR	AGAINST
The rise of the modern corporation created and continues to create many social problems. Therefore, the corporate world should assume responsibility for addressing these problems.	Taking on social and moral issues is not economically feasible. Corporations should focus on earning a profit for their shareholders and leave social issues to others.
In the long run, it is in corporations' best interest to assume social responsibilities. It will increase the chances that they will have a future and reduce the chances of increased governmental regulation.	Assuming social responsibilities places those corporations doing so at a competitive disadvantage relative to those who do not.
In the long run, it is in corporations' best interest to assume social responsibilities. It will increase the chances that they will have a future and reduce the chances of increased governmental regulation.	Assuming social responsibilities places those corporations doing so at a competitive disadvantage relative to those who do not.
Large corporations have huge reserves of human and financial capital. They should devote at least some of their resources to addressing social issues.	Those who are most capable should address social issues. Those in the corporate world are not equipped to deal with social problems.

(Source : www.csrwire.com)

It is equally important to study the national and international trends in the subject and a detailed summary is presented below

25. THE GLOBAL DIMENSION OF CORPORATE SOCIAL RESPONSIBILITY

25.1 Globalization has made corporate social responsibility an issue of international concern. Various countries and regions of the World are practicing corporate social responsibility in various forms, although the motivations and compelling factors may be different. Developed countries promote corporate social responsibility to achieve long term profits and competitive advantage and are driven by strong market pressure and highly aware and demanding shareholder and consumer. Developing countries need to promote corporate social responsibility for favourable investment climate, domestic economic growth and sustainable development and the main drivers for corporate social responsibility is a strong partnership between the corporate, public sector and civil society. Responses to the Green Paper demonstrated the global nature of CSR issues and concerns, reflecting the fact that a growing number of enterprises, including SMEs, are developing their business world-wide, as they take advantage of market liberalization and trade integration and are sourcing from subsidiaries and suppliers in developing countries. Global governance and the interrelation between trade, investment and sustainable development are key issues in the corporate social responsibility debate.

25.2 Indeed, awareness of corporate social responsibility issues and concerns will contribute to promote more sustainable investments, more effective development co-operation and technology transfers. Both processes of trade and financial markets liberalization should be matched by appropriate progress towards an effective system of global governance including its social and environmental dimensions. Globalization has also increasingly exposed enterprises to transboundary economic criminality, requiring an international response. By abiding by internationally accepted standards, multinational enterprises can contribute to ensure that international trade markets function in a more sustainable way and it is therefore important that the promotion CSR at international level takes as its basis international standards and agreed instruments. Those agreed instruments are, at present, of two kinds. First, the OECD Guidelines on Multinational Enterprises are the most comprehensive, internationally endorsed set of rules governing the activities of multinationals. In promoting CSR in developing countries, EU businesses should demonstrate and publicize their worldwide adherence to them. Second, beyond CSR, international agreements are in place and their implementation by governments should be promoted.

In its communication on Promoting Core Labour Standards and Improving Social Governance in the context of Globalization, the Commission stressed the need to ensure the respect for core labour standards in the context of globalization.

A number of initiatives in which European companies participate, such as Investors for Africa, World Business Council for Sustainable Development, and the UN Global Compact have sought to identify basic principles and practices. The underlying approach should be that, at global level, just as at European, the implementation of CSR principles should also go over and above the legal requirements that businesses need to comply with, and approaches should involve consultation with local stakeholders. Green paper responses also stressed the important role played by Governments, international organizations and the civil society in raising awareness and enforcing implementation of internationally agreed social and environmental standards.

26. INTERNATIONAL BUSINESS, MNCs AND CORPORATE SOCIAL RESPONSIBILITY

26.1 International law clearly delineates that companies have human rights responsibilities, although some of the specific responsibilities are ambiguous. The Universal Declaration of Human Rights calls upon all organs of society, whether civic groups, corporations or governments to protect and promote human rights. In 2000 the OECD guidelines for Multinational Enterprises were amended passed by member states which are committed to promote them at a national level.

26.2 Corporate Social Responsibility : A Global View

India

26.2.1 In India Corporate Social Responsibility is culture specific : The issue is only that of prioritization" (Shrivastava & Venkateshwaran, 2000), Corporate Social Responsibility measures should focus on benefiting people and communities other than those whom they (the companies) are contractually obliged to " namely those "who are socially and or economically disadvantaged (Shrivastava & Venkateshwaran, 2000),

India Partnership Forum : A UNDP Private Sector Initiative

As part of the broad UN initiative to develop closer links with the corporate sector, the United Nations Development programme (UNDP) is promoting the concept of a meeting point for business

and other stakeholders to develop partnerships promoting human development to support the creation of National partnerships For a that would facilitate networking, dialogue and action among business and other stakeholders. Mr Malloch Brown UNDP Administrator inaugurated the Confederation of Indian Industry (CII) and UNDP sponsored India Partnership Forum (IPF) for enhanced Corporate Social Responsibility.

UK

26.2.2 The CSR objectives were to ensure the UK businesses take into account their economic, social and environmental impacts and address the key sustainable development challenges based on their core competencies wherever they operate-locally, regionally and internationally. Strategy for advancing their vision is to:

- Promote business activities that bring economic, social and environmental benefits
- Work in partnerships with the private sector, community bodies, and other stakeholders.
- Encourage continuing development and application of best practices
- Ensure decent minimum levels of performance in areas such as health and safety, the environment and equal opportunities.

Latin America

26.2.3 Under the general theme of building competitiveness and communities the Forums promotion of socially responsible business practice in this area will concentrate on A move from philanthropy to strategic social investment by developing information and analysis for Benchmarking systems and leadership and capacity building programmes to improve management processes. Developing magnet projects to attract the involvement of more business in cross sector projects of social concern.

- The forms primary objective is to change current practice to good practice through
- Networks of civil society organizations
- Evolving intermediary structures and institutions
- Providing links and partnerships with established business networks.

USA

26.2.4 In the United States, CSR trends evolved in large part through the efforts of a few visionary leaders like Rockefeller, Carnegie, Ford, Hewlett and Packard. However CSR owes its growth to regulation. Beginning in the late 1960s and early 1970s the U.S. government established regulatory agencies that shaped much of the internal CSR benchmarks. OSHA (Occupational Safety and Health Administration) EEOC (Equal Employment Opportunity Commission) CPSC (Consumer Product Safety Commission) and the EPA (Environmental Protection Agency) creates standards for responsible corporate business practices which have thresholds for minimal internal CSR behaviour.

In April, 2004 the US China Joint Commission on Commerce and Trade set up a new working group to examine policy issues that arise as China moves from a planned to a market economy. The two nations also announced a new labour rights dialogue aimed to help China implement ILO core labour standards.

Europe

26.2.5 An increasing number of European companies are promoting their Corporate Social Responsibility strategies as a response to a variety of social , environmental and economic pressures. They aim to send a signal to the various stakeholders with whom they interact: employees, shareholders, investors, consumers, public authorities and non-governmental organizations (NGOs)

Asia

26.2.6 The notion of Corporate Social Responsibility is not a new concept in Asia. International organizations, trade unions, human rights organizations, lobbyists and regulators have initiated a variety of actions. Asian governments are beginning to argue that a strategic CSR alliance between government and private sector does not only help enhance economic growth, but ensures that such growth is accompanied by equitable people centered social measures.

Japan

26.2.7 In December 2001, the Council for Better Corporate Citizenship (CBCC) established a study group on the Corporate Social Responsibility required of Multinational Corporations. (the study group operates under the CBCC steering committee) In more recent times, CORPORATE SOCIAL RESPONSIBILITY is being incorporated into the management strategies of the corporations. However

Corporate Social Responsibility standards are formulated according to the subjective expectations of individual market societies, therefore the standards tend to vary. More recently under globalization certain CSR principles are becoming universally accepted. These include respect for laws and regulations, protection of the environment and ensuring health and safety. In October 2002, Nippon Keidanren (Japan Business federation) introduced certain measures in its Charter of Corporate behaviours (Established in 1991, revised in 1996 and 2002) revised the Charter of Corporate Behaviour and its implementation guideline established a system for promoting ethical corporate conduct within corporation announced support for companies in the prevention of corporate misconduct clarified and strengthened the measures Nippon Keidanren takes against companies involved in unethical behaviour. The Japanese government also promotes CSR. After enacting the Consumer Contract Law in April 2001, it established the Consumer Policy Committee to examine guidelines for voluntary corporate codes of conduct. (The Committee reported to the Consumer Policy Division of the Quality of Life Policy Council, a body under the Cabinet office)

27. SHIFTING PARADIGMS IN NEW GLOBAL TRADING SCENARIO

27.1 In the changing paradigm of the political scenario the market has begun to play a crucial role in shaping the priorities and inclinations of the State and society. There was a subtle shift from a State centered polity to a market centered polity. In such a polity fluctuations in the market influence State policies, and it is markets that increasingly define a States boundaries of financial and social activity, particularly the World trade Organization and powerful individual cartels and stock exchange. A state's national economy is increasingly dependent on the financial capital market and the consumer market.

28. THE CURRENT STATE OF SOCIAL RESPONSIBILITY OF MANAGEMENT

28.1 The concept of social responsibility has gone through the three distinct phases. Each new phase has not merely replaced the earlier phase but rather has been superimposed on it. Thus, a modern view of social responsibility would to some degree incorporate essential parts of all three phases of the concept. But also an understanding of the firm's responsibility to its contributors and, most importantly, a realistic comprehension of the need for profit as an essential prerequisite for operating at higher levels of social responsibility. In today's business world and academic community there are people who ascribe to all three phases of the social responsibility concept. .

28.2 Probably the majority of business managers today adhere to a Phase II concept of social responsibility. These individuals understand the pluralistic nature of our society and are generally committed to being equitable in dealing with various contributors to the firm and concerned outside pressure groups, such business people emphasize good wages, good working conditions, and fairness and forthrightness in dealing with their customers and suppliers. A growing number of academicians and business executives, however, appear to be accepting the Phase III concept of social responsibility. Thus, the top management of a large profitable corporation has much greater latitude in the social area than does the manager of a small marginal operation, small firms can make a contribution to a better quality of life through social action programs also but it should be stressed that no executive can afford to jeopardize a firm's financial position in the name of social involvement. Boise Cascade Corporation, for example, promoted a minority enterprise in the heavy construction industry. The venture resulted in a pretax loss of approximately \$40 million to Boise Cascade. As a result, the corporation's stock price plummeted 60 point and, undoubtedly, there was much serious soul searching with the organization.

The point researcher is trying to make is that a business firm is still fundamentally an economic entity and must be concerned first with its own economic well-being. It is true that the public does expect business to become socially involved but not at the expense of its primary mission making a profit and thereby contributing to a healthy and vigorous economy. However it needs to actively integrate the corporate social responsibility with the business for being sensitive to needs of society and carving out indigenous strategies and local development plans to effectively contribute in social development along with economic development through identification and use of resources needed by the company to respond to the several social dimensions.

Some of the Dimensions of Corporate Social Responsibility studied by the researcher from the European Framework on CSR (Green Paper, European Commission, 2001) are highlighted below.

29. DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY

29.1 The Internal Dimension : Within the company, socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change, while environmentally responsible practices relate mainly to the management of natural resources used in the production. They open a way of managing change and reconciling social development with improved competitiveness.

29.1.1 Human Resources Management : A major challenge for enterprises today is to attract and retain skilled workers. In this context, relevant measures could include life long learning, empowerment of employees, better information throughout the company, better balance between work, family, and leisure, greater workforce diversity, equal pay and career prospects for women, profit sharing and share ownership schemes, and concern for employability as well as job security. Active follow up and management of employees who are off work due to disabilities or injuries have also been shown to result in cost saving. Responsible recruitment practices, involving in particular non-discriminatory practices, could facilitate the recruitment of people from ethnic minorities, older workers, women and the long-term unemployed and people at disadvantage. Such practices are essential in Objectives of reducing unemployment, raising the employment rate, and fighting against social exclusion . In relation to life-long learning, businesses have a key role to play at several levels :contributing to a better definition of training needs through close partnership with local actors who design education and training programmes; supporting the transition from school to work for young people, for example by providing apprentices ,valuing learning,.

29.1.2 Health and safety at work : Health and safety at work has traditionally been approached mainly by means of legislation and enforcement measures. However, the trend of outsourcing work to contractors and suppliers makes companies more dependent on the safety and health performance of their contractors, especially those who are working within their own premises Companies, governments sector and organizations are increasingly looking at additional ways of promoting health and safety, by using them as a criteria in procuring products and services from other companies and as a marketing element for promoting their products or services. These voluntary schemes can be seen as

complementary to legislation and control activities by public authorities as they likewise aim at promoting a preventive culture, i.e. higher levels of occupational safety and health.

29.1.3 Adaptation to change : The widespread restructuring taking place in any organization raises concerns for all of the employees and other stakeholders as the closure of a factory or a heavy cut in its workforce may involve a serious economic, social or political crisis in a community.

29.1.3.1 For restructuring in a socially responsible manner means to balance and take into consideration the interests and concerns of all those who are affected by the changes and decisions. In practice the process is often as important as the substance to the success of restructuring. In particular this involves seeking the participation and involvement of those affected through open information and consultation. Furthermore, restructuring needs to be well prepared by identifying major risks, calculating all the costs, both direct and indirect, associated with alternative strategies and policies, and evaluating all of the alternatives which would reduce the need for redundancies.

29.1.4 Environment Action Programme: It explains how organizations can fulfill their role to help business to identify market opportunities and undertake "win-win" investments. It set out a number of other measures aimed at business: establishment of a compliance assistance programme to help business understand European Community environmental requirements; development of national, but harmonized, company environmental performance reward schemes that identify and reward good performers and encouraging voluntary commitments and agreements.. This encourages companies voluntarily to set up site or company-wide environmental management and audit systems that promote continuous environmental performance improvements.

29.2 Corporate Social Responsibility: The External Dimension

Corporate Social Responsibility extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment in a world of multinational investment and global supply chains.

29.2.1 Local communities: CSR is also about the integration of companies in their local setting, Companies contribute to their communities, especially to local communities, by providing jobs, wages and benefits ,and tax revenues. On the other hand companies depend on the health, stability, and

prosperity of the communities in which they operate by undertaking a variety of community development programmes. For example, they recruit the majority of their employees from the local labour markets, and therefore have a direct interest in the local availability of the skills they need.

Companies also interact with the local physical environment. Some rely on a clean environment for their production or offering of services - either clean air or clean water or uncongested roads. There can also be a relationship between the local physical environment and the ability of business to attract workers to the region they are located in. On the other hand, business can also be responsible for a number of polluting activities: noise, light, water pollution, air emissions, contamination of soil, and the environmental problems associated with transport and waste disposal. The most environmentally aware companies are, therefore, often involved in two ways in environmental education of the community. Many companies become involved in community causes, notably by means of provision of additional vocational training places, assisting environmental charities, recruitment of socially excluded people, provision of child-care facilities for employees, partnerships with communities, sponsoring of local sports and cultural events or donations to charitable activities. The development of positive relations with the local community and thereby the accumulation of social capital is particularly relevant for non-local companies. Multinational companies increasingly use these relations to support the integration of their affiliates into various markets in which they are present.

The familiarity of companies with the local actors, the local environment traditions and strengths is an asset from which they can capitalize. Financial institutions can play a particular role through community investing, which consists of direct investments in projects benefiting specific communities or constituencies, especially in disadvantaged areas. These investments usually take the form of loans for low-cost housing ventures or deposits in community development banks either at or below market rates. Similarly recognizing that access to affordable prices for everyone to services of general economic interest is at the heart of the European model of society, some companies endeavour

29.2.2 Business partners, suppliers and consumers : By working closely with business partners, companies can reduce complexity and costs and increase quality. Selection of suppliers is not always exclusively through competitive bidding. Relationships with alliance and joint venture partners and with franchisees are equally important. As part of their social responsibility companies are expected to

provide products and services, which consumers need and want in an efficient, ethical and environmentally aware manner. Companies, which build lasting relationships with customers by focusing their whole organization on understanding what the customers need and want and providing them with superior quality, safety, reliability and service are expected to be more profitable. Applying the principle of design for all (making products and services usable by as many people as possible including disabled consumers) is an important example of Corporate Social Responsibility.

29.2.3 Human rights : Corporate Social Responsibility has a strong human rights dimension, particularly in relation to international operations and global supply chains. This is recognized in international instruments such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises. Human rights are a very complex issue presenting political, legal and moral dilemmas. Companies face challenging questions, including how to identify where their areas of responsibility lie as distinct from those of governments, how to monitor whether their business partners are complying with their core values, and how to approach and operate in countries where human rights violations are widespread. to ensure the respect of labour standards, environmental protection and human rights and is confronted with the challenge of ensuring a full coherence between its development policy, its trade policy and its strategy for the development of the private sector in the developing countries

29.2.4 Global Environmental concerns : Through the transboundary effect of many business-related environmental problems ,and their consumption of resources from across the world, companies are also actors in the global environment. They can therefore pursue Social responsibility internationally as well as in their own country. For example, they can encourage better environmental performance throughout their supply chain.

The debate on the role of business in achieving sustainable development is gaining importance on the global stage. The UN Secretary General has launched a “Global Compact” initiative which seeks to make business a partner in achieving Social improvements globally. The OECD Guidelines for multinational enterprises also promote sustainable development.

30 DRIVING FACTORS FOR CORPORATE SOCIAL RESPONSIBILITY

30.1 There are number of factors which have contributed to a great extent towards the development of this concept some of the drivers pushing business towards Corporate Social Responsibility include (csrntwork/csrwire.com)

- **The shrinking role of government in the past:** Government reliance on legislation and regulation to deliver social and environmental objectives in the business sector.
- **Shrinking Government resources,** with a distrust of regulations has led to the exploration of voluntary and non-regulatory initiatives

- **Increased customer interest:**

With ethical conduct of companies exerts a growing influence on the purchasing decisions of customers.

- **Growing investor Pressure:**

Since investors are changing the way they assess companies' performance and are making decisions based on criteria that include ethical concerns.

- **Competitive labour market:**

Employees are expecting beyond paychecks and benefits and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees companies are being forced to improve working conditions.

- **Supplier relations**

31. MAJOR DEVELOPMENTS WHICH LED TO EMERGENCE OF CORPORATE SOCIAL RESPONSIBILITY (csrntwork/csrwire.com)

Several factors have converged over the last decade to shape the direction of the CORPORATE SOCIAL RESPONSIBILITY field. Here are some of the most notable ones:

31.1 Increased Stakeholder Activism: Corporate accounting scandals have focused attention more than ever on companies' commitment to ethical and socially responsible behavior. The public and various stakeholders are having more expectations from business. Increasingly, they are looking to the private sector to help with several complex and pressing social and economic issues. There is a growing ability, interest and sophistication of activist groups to target corporations they perceive as not being socially responsible, through actions such as public demonstrations, public exposes, boycotts, shareholder resolutions,

31.2 More Sophisticated Stakeholder Engagement: On the corporate side, the debate for companies has evolved from whether to engage with stakeholders to how to engage. Companies and stakeholders have, in many cases, progressed beyond "dialogue for dialogue's sake," and are looking to rationalize the process.

31.3 Proliferation of Codes, Standards, Indicators and Guidelines: New voluntary CORPORATE SOCIAL RESPONSIBILITY standards and performance measurement tools continue to proliferate, making it more imperative for business sector to respond and develop their own standards and guidelines.. At the same time, there is a growing consensus among many in the CSR community that voluntary external standards (ranging from broad, special standards such as the UN Global Compact and the Global Sullivan Principles, to issue-specific standards such as the CERES environmental principles or the SA 8000 labour standard) need to be consolidated and streamlined.

31.4 Accountability Throughout the Value Chain: Over the past several years, the CSR agenda has been characterized in large part by the expansion of boundaries of corporate accountability. Stakeholders increasingly hold companies accountable for the practices of their business partners throughout the entire value chain with special focus on supplier environmental, labor, and human rights practices..

31.5 Transparency and Reporting: Companies are facing increased demands for transparency and growing expectations that they measure, report, and continuously improve their social, environmental and economic performance. Companies are expected to provide access to information on impacts of their operations, to engage stakeholders in meaningful dialogue about issues of concern that are relevant to either party and to be responsive to particular concerns not covered in standard reporting and communication practice. Leadership companies are also investigating various types of audit and verification as a further means of increasing the credibility of their transparency and reporting efforts. Increasingly, demands for greater transparency also encompass public policy; stakeholders want to know that the way companies use their ability to influence public policy is consistent with stated social and environmental goals.

31.6 Convergence of CORPORATE SOCIAL RESPONSIBILITY and Governance Agendas: In the past several years, there has been a growing convergence of the corporate governance and CSR agendas. In the 1990s, the overlap was seen most clearly on issues such as board diversity, director independence, and executive compensation. More recently, an increasing number of corporate governance advocates have begun to view companies' management of a broad range of CSR issues as a fiduciary responsibility alongside traditional risk management. In addition, more and more CSR

activists have begun to stress the importance of board and management accountability, governance, and decision-making structures as imperative to the effective institutionalization of corporate social responsibility.

31.7 Growing Investor Pressure and Market-Based Incentives: While religious and socially responsible investors have been pressuring companies on their social, economic, and environmental performance for the last 30 years, corporate social responsibility is now more and more part of the mainstream investment scene. The last few years have seen the launch of several high-profile socially and/or environmentally screened market instruments (e.g., indexes like the Dow Jones Sustainability Indexes, FTSE4Good, and the KLD/Russell/Mellon products, as well as screened investment offerings from Morgan Stanley, Citigroup, Credit Lyonnais and Vanguard).

31.8 Advances in Information Technology: The rapid growth of information technology has also served to sharpen the focus on the link between business and Corporate Social Responsibility. Just as email, mobile phones and the internet speed the pace of change and facilitate the growth of business, they also speed the flow of information about a company's CORPORATE SOCIAL RESPONSIBILITY record. A company's reputation for labour practices in Indonesia can, for example, immediately be made known to individuals in India.

31.9 Pressure to Quantify Corporate Social Responsibility "Return on Investment": This is leading to questions about how meaningful present corporate social responsibility practice is, and the answers to those questions will determine in part both the breadth and depth of corporate social responsibility practice for the next decade. Companies want to determine what their corporate social responsibility initiatives have accomplished so that they can focus scarce resources most effectively. Societal corporate social responsibility advocates want to see demonstrable social and environmental improvements, while critics will continue to assert that corporate social responsibility is just a fig leaf helping to preserve the status quo. Thus the focus of the study to bring light to these issues.

The researcher has briefly discussed operational aspects of CSR in light of tools, standards and process of implementation and related issues

32. CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION AND TOOLS

Companies interested in advancing Corporate Social Responsibility and in improving their social and environmental performance as part of their business have a wide range of tools available for application. Tools can vary widely in terms of objectives, scope, costs, level of formality, partnerships, extent of stakeholder involvement, and many other characteristics. Tools can be applied to one or more of the planning, implementation, checking, and improvement facets of corporate operations. Businesses have options in how they can use the tools. For example, companies can use the tools that have been developed by others or they can develop their own tools - either independently or in partnership with other stakeholders.

32.1 Principles and Guidelines (What is the vision and Mission of the Company behind Corporate Social Responsibility)

As a first step for pursuing CORPORATE SOCIAL RESPONSIBILITY, many companies focus on defining the normative directions that would be appropriate and acceptable to them. These directions can be converted into a formal statement of business values and practices. Such statements can be presented in the form of principles, guidelines, or codes of conduct. In effect, these become a commitment vehicle for the business to declare its perspective and way of doing business with respect to the challenges relating to Corporate Social Responsibility.

Some principles, guidelines and codes of conduct that companies can use to develop their statements of commitment include:

- OECD Guidelines for Multinational Enterprises
- OECD Guidelines for Corporate Governance
- United Nations Global Compact
- Caux Round Table
- Keidanren Charter for Good Corporate Behaviour
- Global Sullivan Principles
- Association of British Insurers (Corporate Governance and Investment Guidelines)

- Canadian Council of Chief Executives (Governance, Values and Competitiveness: A Commitment to Leadership) and others .

32.2 Management Systems- (How is the Corporate Social Responsibility Function in the Company Managed, Conceptual , Structural and Operational)

Management frameworks and systems are another avenue for improving corporate performance with regard to economic, social, and environmental objectives. Businesses recognize the benefits of a management systems approach to managing their operations. Management systems can be employed to demonstrate compliance with legislative obligations, reduce risks and potential liabilities, show due diligence to interested stakeholders, and achieve other objectives such as eliminating accidents and reducing insurance premiums. The use of management systems offers a business the opportunity to internalize demands and challenges on a range of CORPORATE SOCIAL RESPONSIBILITY fronts including environmental protection, health and safety, and community development and stakeholder engagement. The systems usually comprehensively cover the planning, implementation, checking, accounting, auditing, reporting, and improvement facets of typical business operations. The most useful tools available to businesses with respect to management systems appear to be management system specifications or standards as well as related implementation guides that have been developed on a voluntary basis by industry and other stakeholders at international or domestic national levels.

The following represent some of the more popular management system tools:

- Quality Management System: ISO 9000
- Environmental Management System: ISO 14000
- Social Accountability System: SA8000
- Health and Safety Management System: OHSAS 18000
- Sustainability and CORPORATE SOCIAL RESPONSIBILITY Reporting: Global Reporting Initiative (GRI)

32.3 Indicators, Measurements Reporting and Benchmarking (How is Corporate Social Responsibility Function performed, monitored , evaluated and assessed)

Another set of tools that are available to businesses involve the means by which companies can become more transparent about their performance on Corporate Social Responsibility through the presentation of information. This includes tools that help to employ indicators for measuring performance, account and report on corporate performance, and assess Corporate Social Responsibility performance of a business relative to some benchmark such as an acceptable framework, its past activity, or to other companies. Companies recognize that transparency and sound tools that support the transparency can build credibility within the marketplace and society where the businesses operate. Increased transparency through the use of indicators, measuring approaches, accounting and reporting, assessments, and benchmarking can help a company to build business value. It is probably fair to characterize the existing situation with respect to this cluster of tools as being at a relatively early stage of development. There is both exploration and experimental work taking place with regard to most of the tools. In many cases, the tools are considered as being at a draft or preliminary stage of development. Nonetheless, the tools can aid a business to enhance their performance on Corporate Social Responsibility across the planning, implementation, checking, and improvement facets of the management of their operations. Some of the more salient tools that are available in this domain include:

- Corporate Sustainability Reporting Toolkit
- Global Reporting Initiative
- Dashboard of Sustainability International Institute of Sustainable Development
- Corporate Social Responsibility Assessment Tool Conference Board of Canada in partnership with Imagine
- Good Company Guidelines for Corporate Social Responsibility Canadian Business for Social Responsibility
- Stepping Forward: Corporate Sustainability Reporting in Canada Stratos
- Corporate Social Responsibility Insight TM Five Winds International

- Eco-efficiency Tools for Business Industry Canada

32.4 External Standards The increased interest in corporate social responsibility has been paralleled by substantial growth in the number of external standards produced for business by governmental, non-governmental, advocacy and other types of organizations. These various standards are designed to support, measure, assist in implementation, and enhance accountability for corporate performance on corporate social responsibility issues. While many of the standards produced are single-issue (e.g., focused on environmental performance or corporate governance), others address a range of corporate social responsibility issues. The standards listed here are only those that are broad in scope and there are several other, encompassing multiple corporate social responsibility issues. The majority of corporate social responsibility -related standards produced in recent years ask companies to voluntarily develop and implement policies and practices and commit to specific performance standards on various corporate social responsibility issues. More recently, a limited number of standards have been developed that, rather than providing substantive recommendations for implementation of specific corporate social responsibility policies and practices, are designed to provide guidance for companies seeking to report on their social, environmental, and economic performance. In many cases, these performance standards and reporting standards are complementary.

33. CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION STEPS

Each company differs in how it implements Corporate Social Responsibility. The differences depend on such factors as the company's size, sector, culture and the commitment of its leadership. Some companies focus on a single area the environment, for example, or community economic development while others aim to integrate a corporate social responsibility vision into all aspects of their operations. Below are some key strategies companies can use when implementing corporate social responsibility policies and practices..

33.1 Mission, Vision and Values Statements: If corporate social responsibility is to be regarded as an integral part of business decision-making, it merits a prominent place in a company's core mission, vision and values documents. These are simple but important statements that succinctly state a company's goals and aspirations. They also provide insight into a company's values, culture and strategies for achieving its aims. The mission or vision of a socially responsible business frequently

references a purpose beyond “making a profit” or “being the best,” and specifies that it will engage in ethical and responsible businesses practices, and seek to make decision that balance the needs of key stakeholders, including shareholders/owners, employees, customers, suppliers communities and the natural environment.

33.2 Cultural Values: Many companies now understand that Corporate Social Responsibility cannot flourish in an environment where innovation and independent thinking are not welcome. In a similar vein, there must also be a commitment to close the gap between what the company says it stands for and the reality of its actual performance. Goals and aspirations should be ambitious, but care should be exercised so the company says what it means and means what it says.

33.3 Corporate Governance: Many companies have established ethics and/or social responsibility committees of their boards to review strategic plans, assess progress and offer guidance about emerging corporate social responsibility issues of importance. Some boards that do not have these committees have the full board consider issues of Corporate Social Responsibility. In addition to having committees and boards, some companies have adopted guidelines governing their own policies and practices around such issues as board diversity, independence, terms, and compensation.

33.4 Management Structures: The goal of corporate social responsibility management system is to integrate corporate responsibility concerns into a company's values, culture, operations and business decisions at all levels of the organization. Many companies have taken steps to create such a system by assigning responsibility to a committee of the board, an executive level committee or a single executive or group of executives who can identify key corporate social responsibility issues and evaluate and develop a structure for long-term integration of social values throughout the organization. One important observation though is that there is no single universally accepted method for designing a corporate social responsibility management structure.. What works for one company may not work for another, and vice versa. What does work, though, is following a process that allows to design a structure that aligns company's mission, size, sector, culture, business structure, geographic locations, risk areas and level of corporate social responsibility commitment.

33.5 Strategic Planning: A number of companies are beginning to incorporate corporate social responsibility into their long-term planning processes, identifying specific goals and measures of progress or requiring corporate social responsibility impact statements for any major company proposals and programmes to be developed.

33.6 General Accountability: In some companies, in addition to the efforts to establish corporate and divisional social responsibility goals, there are similar attempts to address these issues in the job descriptions and performance objectives of as many managers and employees as possible. This helps everyone understand how each person can contribute to the company's overall efforts to be more socially responsible.

33.7 Employee Recognition and Rewards: Most companies understand that employees tend to engage in behavior that is recognized and rewarded and avoid behavior that is penalized. The system of recruiting, hiring, promoting, compensating and publicly honoring employees all can be designed to promote Corporate Social Responsibility.

33.8 Communications, Education and Training: Many companies now recognize that employees cannot be held accountable for responsible behavior if they are not aware of its importance and provided with the information and tools they need to act appropriately in carrying out their job requirements. These companies publicize the importance of Corporate Social Responsibility internally, include it as a subject in management training programs, and provide managers and employees with decision-making processes that help them achieve responsible outcomes.

33.9 Corporate Social Responsibility Reporting: Thousands of companies have come to understand the value of assessing their social and environmental performance on a regular basis. Annual CSR reports can build trust with stakeholders and encourage internal efforts to comply with a company's CSR goals. The best reports demonstrate CEO and senior leadership support; provide verified performance data against social, environmental and economic performance indicators; share "good" and "bad" news; set goals for improvement; include stakeholder feedback; and many times are verified by outside auditors. According to Sustainability's Global Reporters 2002 Survey, the GRI has made it easier for newcomers to produce sophisticated reports.

33.10 Use of Influence: Some socially responsible companies recognize that they can play a leadership role in influencing the behavior of others, from business partners to industry colleagues to neighboring businesses. They understand that ultimately it is in everyone's best interests to have as many companies as possible honoring the requirements and expectations of Corporate Social Responsibility.

34 OPERATIONALISING CORPORATE SOCIAL RESPONSIBILITY

The process normally begins with a trigger or an event that requires management attention and action. This trigger or motivation can come from a product, workplace crisis, from external pressures or from inner values and principles.

34.1 Motivated management : The trigger motivates management to take required steps for initiating CSR action in the company. Motivated management formulates the CSR Policy and describes the Vision and mission statement of the company. Written CORPORATE CSR policy will ensure a common understanding amongst the Board members, will define how much and what a company wants to achieve and will ensure effective implementation. The CSR Policy of the company should clearly define key stakeholders and their level of involvement

34.2 Forming a Corporate Social Responsibility Core Group : To implement the CSR Policy, vision and mission of the company, management should form a core group or a Committee. A group will be responsible to plan , execute monitor ,evaluate ,report and communicate the progress and impact of CSR programmes. The Core group will be responsible to identify the resources, execute planned activities and sustain the commitment for motivation to responsible business practices.

34.3 Identify the Focus Area : The CSR core group must identify the focus area of the company. The focus area will be based on the CSR Policy, vision, and mission of the Company. For example : Orchid Hotel , Excel Industries etc. CSR action is focused around environmental issues.

34.4 Design and Implement Corporate Social Responsibility action Plan The corporate social responsibility core group will design the corporate social responsibility action plan for the company, integrate company values, focus area and resources. Networking with local NGOs. Govt bodies and like minded corporate will facilitate effective implementation of the action plan.

34.5 Monitor and evaluate Corporate Social Responsibility action : Monitoring and evaluation corporate social responsibility action helps to analyze the impact of corporate social responsibility action and plan future action It will vary from company to company in accordance with their focus areas. This step is critically important to boost the morale and sustain motivation of the core group and employees to sustain v action

34.6 Report and Communicate Corporate Social Responsibility Initiatives : The impact of corporate social responsibility initiatives should be reported and communicate under different focus area like employee welfare, environment ,community ect. Communicating corporate social responsibility action to all stakeholders can act as an incentive to broaden the corporate social responsibility initiative. The sections that follow provide additional details related to the corporate social responsibility construct. The stakeholder concept, which is central to the corporate social responsibility construct, is discussed. Finally, several of the major social issues with which organizations must deal are reviewed.

34.7 Corporate Social Responsibility Awards : A number of CSR related awards has grown in the last decade viz. most admired companies, Best companies to work for, Business Ethics awards, American Business ethics award by the American Society of Chartered Life Underwriters), award for excellence and Company of the year award by U.K. based CSR consultancy, Corporate Conscience Award by Social accountability International and several national awards like TERI Good CSR Practices Award for Environment and Social responsibility, Golden Peacock Award etc which motivate and encourage companies to take pro active action in designing constructive social partnerships in also contribute to social development goals.

As stated in the beginning the researcher has also explored the concept of stakeholder particularly from the standpoint of communities as vital stakeholders

35. STAKEHOLDER A CONCEPTUAL FRAME WORK

35.1 This theory asserts that all stakeholders should be allowed to participate proportionally in corporate decisions that could seriously affect their well-being. The stakeholder theory lies at the heart of corporate social responsibility in its emphasis on the rights and significance of groups that had traditionally being neglected by corporations, but whose wellbeing are affected by corporate operations. According to Post, Lawrence, and Weber, stakeholders are individuals and groups that are affected by

an organization's policies, procedures, and actions. A "stake" implies that one has an interest or share in the organization and its operations, per Carroll and Buchholtz. Some stakeholders, such as employees and owners, may have specific legal rights and expectations in regard to the organization's operations. Other stakeholders may not have specific rights granted by law, but may perceive that they have moral rights related to the organization's operations. For example, an environmental group may not have a legal right in regard to a company's use of natural resources, but may believe that they have a moral right to question the firm's environmental policies and to lobby the organization to develop environmentally friendly policies. All companies, especially large corporations, have multiple stakeholders.

Primary Stakeholders	Secondary Stakeholders
Employees	Local, State, and
Customers	Federal Government
Business Partners	Regulatory Bodies
Communities	Civic Institutions and
Future Generations	Special Interest Groups
The Natural	Trade and Industry
Environment	Groups
	Media
	Competitors

35.1 Diagram Classifies some major stakeholder groups into primary and secondary categories(Source **Ravi Puranik & Viraf Mehta 2005**)

35.2 Stakeholder Engagement (Ravi Puranik & Viraf Mehta 2005)

35.2.1 Stakeholders and their engagement is a subject increasingly being talked about in the business domain. In the Indian Situation however documented essays on its practice are few. Partners in Change, a not for profit NGO working on Corporate Social Responsibility with businesses and its stakeholders in the Indian context, has significantly contributed to the concept and practice during the course of its various partnerships with corporate also its involvement in research studies. The term stakeholder has been in vogue for a long time.

A detailed historical tracking and commenting on this term definition has been undertaken by various authors including Bryson, Pouloudi, which process which the researcher as tried to summarize as under

Summary of Definitions of Stakeholders			
Period	Source/Author	Definition	Distinguishing feature of stakeholder
Around 1708	Merrian-Webster Collegiate Dictionary , 10 th Edition 1998	A person entrusted with stakes of bettors	Must deliver stakes to winner of contest-carries a fiduciary
Later	American Heritage Dictionary of English Language,4 th Edition 2000	One who has a share or interest in an enterprise	A claimant-masks the fiduciary responsibility
Around 1963	Freeman,R.E. Strategic management :A Stakeholder Approach, 1984	Those groups without whose support the organization would cease to exist	Dependence of Organizations
1984	Freeman R.E. Strategic Management	Any group or individual who can affect or is affected by the achievements of the organizations objectives	Can affect or is affected by the organization
1995	Bryson J.Strategic Planning for Public and Non Profit Organization 1995	Any person group or organization that can place a claim on the organizations attention ,resources or output or is affected by that output	Claimant or affected
1998	Eden. C. and Ackermann F,Making Strategy:the journey of Strategic Management	People or small groups with the power to respond to, negotiate with and change the strategic future of the organization	Power to influence the organization
1999	Elaine Sternberg , The Stakeholder Concept , A Mistaken Doctrine, Foundation for Business Responsibilities , Issue Paper No.4	Groups entitled by their stakeholder status to influence the operation of the business, or at least have it influenced in their interests	Status of stakeholders changed from passive recipients to active participants

35.2.2 Source : (Ravi Puranik & Viraf Mehta 2005)

35.2.3 As can be seen from above, the term stakeholder has been interpreted in diverse ways. Gradually the term “stakeholder corporation” emerged in business vocabulary. As quoted by some authors, the essence of the stakeholder model was captured by David Wheeler and Maria Sillanpaa (formerly with the Body Shop) as follows. The long term value of a company rests primarily on the knowledge, abilities and commitment of its employees, and its relationships with investors, customers and other stakeholders. Loyal relationships are increasingly dependent upon how a company is perceived to create added values beyond the commercial transaction. Added value embraces issues like quality service, care for people and the natural environment and integrity. Bryson has also attempted to highlight the centrality of stakeholders in humanities and social sciences by consolidating in various business practices. They are presented below.

35.3 Fields of Social Sciences and Stakeholders related with them

35.3.1 Political Science_ Interests, publics, constituencies, citizens, formal office holders (eg. Dahl 1990; Roberts and King 1996, Business, public, and non profit management and marketing-owners, managers, employees, suppliers, funders, customers, service recipients, competitors, collaborators, policy makers, regulators, communities (eg. Freeman 1984, Nutt and Backoff 1992, Boschken 1994, 2002, Bryson 1995, Rowley 1997, Eden and Ackerman 1998, Bryson, Cunningham and Kokkesmoe, 2002 and Nutt, 2002) Ethics and the Law- in ethics who and what counts eg. Lewis, 1991) in law: the courts, judges, lawyers, juries, parties with and without standing, plaintiffs, defendants, law enforcement officials, probation and prison services (eg. Copper, 1996) Public Planning-Policy Makers, Organizational leaders, planners, citizens, taxpayers, communities, developers, employers, society as a whole, future generations (eg. Kaufman 1986, Christensen 1983, Healey 1997, Forester 1999) Public Policy analysis-policy makers, interests, beneficiaries and payers, society as a whole, future generations (eg. Dunn, 1994 and Vining 1998) B). Practices in which stakeholder understanding plays a role Community Organizing (eg. Kahn, 1991, 1994) Community Development (eg. Asian Development Bank Institute, 19xx) Conflict Management and dispute resolution eg. Thompson, 2001) Collaboration (eg. Bardach, 1998, Huxham and Vangen 2002, forthcoming) Consensus Building (eg. Innes, 1996, Susskind et al. 1999) Coalition Formation (Riker 1986) Game Theory (eg. Bryant, 2002) and Military Strategy (eg. Smith, 2002)

Thus emergence and relevance of stakeholder entities relates with the context and situation sought to be addressed. The researcher has also examined stakeholder processes for a typical business operating in India from the Perspective of Corporate Social Responsibility.

36. CORPORATE SOCIAL RESPONSIBILITY AND STAKEHOLDER CHARACTER

36.1 Partners in Change (PIC) an organization working for Corporate Social Responsibility has been in India for around a decade. These partners have been actively involved in encouraging businesses to embrace and practice CORPORATE SOCIAL RESPONSIBILITY that is relevant to India. The relevance is rooted in their understanding that businesses can and indeed ought to contribute equitable development in society, thereby impacting on poverty inducing processes both in their domain of operations and generally in society. This understanding stems from the belief that businesses have immense potential to contribute to development and nation building. This has been corroborated by stakeholder perceptions in the third survey on corporate social responsibility India carried out by PIC and released. The respondents have ranked nation building through upliftment of the underprivileged and ethical conduct including compliance by business, welfare of its primary stakeholders amongst the definitions closest to corporate social responsibility.. It is in this milieu that a corporate social responsibility framework has been proposed in which stakeholders get specifically identified and analyzed with relation to the business function being followed, and the consequent impacts generated on the poor. Thus for instance in its core function of making profits, though the traditional stakeholders (communities , labour, environment, investors, regulators, consumers, competitors, business partners etc) get identified, their relevance gets established by the impact they have on the poor. This focus orients the engagement in pro poor direction. The framework proposed in Arora and Puranik related business functions with stakeholders and corresponding impacts on poor.

36.2 Relationship between Business functions and Impacts on Stakeholder/Poor

Functions	Making Profits
Stakeholder	Communities, Labour, Environment, Investors, Consumers, Competitors
Impacts on Poor	Displacement due to acquisition of lands or due to operations impacting on livelihoods and means of survival Pollution of water ,land and air impacting on resources of production Work and wage conditions of contract, casual and daily labour Impacts pertaining to various business partners and companies at various levels in the supply and market chains Investors and consumers insensitive to the poor, pressurizing Business for maximizing their returns which impact poor-who are unorganized and possess low bargaining power

37. ROLE OF GOVT IN CORPORATE SOCIAL RESPONSIBILITY

It is emphasized by (C.V. Baxi and Ajith Prasad ,2005) that Governments approach to promoting corporate social responsibility should seek to mainstream corporate social responsibility within community policies, encourage the public and private sectors and promote greater transparency in the marketplace. The Govts approach to corporate social responsibility should centre around productivity and competitiveness and on achieving transparency in the market to promote an effective dialogue with stakeholders.

38. ROLE OF NGOS IN CORPORATE SOCIAL RESPONSIBILITY

Individuals and the institutions in their interactions need to take into account the potential effects of their exchange. The broader view of CORPORATE SOCIAL RESPONSIBILITY is applicable to government, media , industry, NGOs and other variety of social institutions. The new focuses on the need for socially driven investments, consistency in profits, fair wealth distribution and good governance. NGOs are actively intervening by way of stakeholder and community engagement action programmes.

38.1. NGO Perspective : It can be seen there is a range of motives both in the business and the NGO universe to engage with each other. It is pertinent to mention here that more often cluster of motives operate together. They keep changing, depending upon the constituency (in case of NGO's , it would be generally be communities) needs and the organizational requirements.

	Role	Functions
1.	To bring public pressure to bear on business	Engage indirectly with business through Campaigns that involve Govt, investors, consumers, impacted communities
2.	To gather intelligence before taking a committed position	Dialogue with business or its partners, stakeholders etc
3.	To directly work with business to raise resources for the NGO	Fund raising
4.	To directly work with business For community development For promoting CORPORATE SOCIAL RESPONSIBILITY/SRB in business	Partnership building generally in the community domain
5.	To directly work with business to mainstream CORPORATE SOCIAL RESPONSIBILITY/SRB into business	Partnership Building in a range of ways that would include communities supply chain, employees.
6.	To bring about structural changes in society by engaging with business among others	One or more of the above mentioned approaches
7.	Image building and leveraging associational benefits	Partnerships in certain cases getting into commercial engagement
8.	Institution Building	Partnership focusing on the skill sets of the business

38.1.1 Source : C. V. Baxi & Ajit Prasad 2005

38.1.2 The motives of NGOs are often determined by factors that operate upon them They are listed below

- Ideological underpinning of the Promoter
- Constituency whose interests the group represents
- Extent to which the business interfaces with groups primary interests

- Position of group in local-global chain
- Interpretation of the subject by its stakeholders
- Survival and other operational compulsions of the group itself
- Societal context in which CORPORATE SOCIAL RESPONSIBILITY is to be interpreted . In a typical developing country context, the major issues confronting development groups vis-à-vis markets appear to be
- Making markets work for their constituencies
- Place the relation in a sustainable mould
- Learning and evolutionary instinct of the group
- Resources at command
- Nature of work of the group –people centric and /or program centric

Similarly factors governing the motives of business also get established. A proper understanding of the motives and factors can lead to the foundations of a systematic stakeholder engagement strategy.

38.2 NGO engagement with Business

The engagement of NGOs with Business comes in various forms. A systematic investigation into such engagement presupposes a prior understanding the motives behind such engagement. The author has proposed a typology of such an engagement with motives from both the business and the NGO perspectives

Sr. No.	Motives	Illustration of nature of engagement between NGOs and Business
	Business Perspective	
1.	Image building with local community, general public, Government , International community	Community Development
	Pressure from interests groups, political groups, civil society, interests groups, consumer organizations, labour unions	Resource (land, water)development, product stewardship. In some cases NGOs get used by business to divide interests groups. This gets one either by farming out projects to NGOs or entering into a dialogue with them which ends nowhere

Contd.

Sr. No.	Motives	Illustration of nature of engagement between NGOs and Business
2.	Low cost Employment	Community Development
4.	Direct economic benefits: depending of indigenous markets, diversification/broadening of internal markets, Developing HR /material/capital useful for the growth of the company	Community Development : In some cases a commercial relationship where NGO's can serve as channel intermediaries
5.	Building Employee Morale	Volunteering through Community Development
6.	Tax Benefits	Community Development mostly through created Trusts
7.	Sees value in Trusteeship	Directly taking on a significant societal responsibility
8.	Sees value in pursuing Sustainable Development	Envisages a long term presence in the community and hence the issues around which community developments undertaken is directly linked to business activities (like the withdrawal of water)
9.	Sees value in respecting Human Rights /Dignity	Generally a response to buy peace with expectations of local communities, NGOs come in to create alternative outlets for communities with business investing in seed amounts
10.	Sees value in being transparent	Engages NGOs to audit, verify and certify operations
11.	Sees values in being seen as dealing fair with all stakeholders	As above
12.	Sees value in promoting Diveristy	Targetted community development and in some cases taking assistance of NGOs in promoting supply chains.

38.3 Source : C. V. Baxi & Ajit Prasad 2005

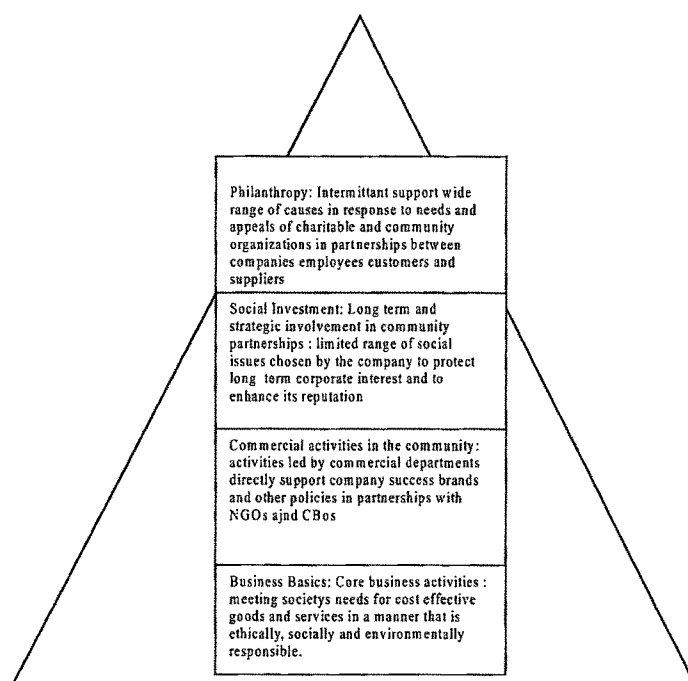
After this inter connected topics relating to stakeholders , the researcher would like to summarize this discussion with the following topics

39. COMMUNITY INVOLVEMENT.

39.1 The very fact that we position community involvement as strategic thrusts a responsibility upon us to bring our the strategic connections. Let us define what we mean by communities. To us, communities are residents of society who qualify to be considered as stakeholders to business on one or more of the accountability, management or ethical perspectives.

Generally residents of area surrounding the corporate though not necessarily always. Thus they could be persons on whose lands manufacturing plants get located there etc. Their strategic interest to the business may be in the form of maintaining harmonious relations, exhibiting a just behaviour by recognizing that their productive resources need to be fairly compensated for etc. Then there are other communities which need to be engaged to migrate to other stakeholders as consumers which therefore provide the strategic link. In the cases of many MNC's as a part of reputation building in host countries, they need to invest in communities which provide the other strategic link. Thus one sees that there is more than one strategic association between business and communities. Having recognized this, there is a need to articulate an approach that can serve the purpose of bringing out these links as well as unifying them. One such model is the London Group Benchmarking Model (Source Partners in Change Strategy Paper 2001-05)The LBG seeks to develop and expand the reporting of company activities in the community so that they are more transparent and can be judged by the impact they achieve. The group which consists of some leading companies working in the UK has devised a model to classify what companies do in the community by their motivation. This is illustrated below.

391.1 Diagram : The London Group Benchmarking Model



39.1.2 The relative sizes of the components are meant to reflect the company's impact on society. In other words a company's business basics activities are expected to impact society more than its philanthropic activities according to this model. It is perhaps useful to look at these individual components in some details to better understand them. The philanthropic component is typically what all companies including Indian ones do. What characterizes this component is that companies rarely expect a return other than the reputation of being a caring company. This is a response to a need and manifests itself not just as donations of money or kind but also employee volunteering. The social investments component looks at companies becoming more systematic and strategic with its community involvement while looking at business benefits in the medium term. Such activities are typically aimed at communities, but employees and their families too can be the beneficiaries. In commercial initiatives, the company is focusing more on the commercial benefits of the involvement, while addressing social issues. Cause related marketing or event sponsorships are typical examples of this type of engagement.

39.1.3 The Business Basics part of the model relates to how the company does its business and whether it is sensitive about the impact of its business on society and the planet, i.e. societal and environmental returns, apart from financial returns the so called triple bottom line reporting. The LBG has laid down a methodology to measure and report on inputs (cash, kind and time) and outputs (classified as leverage, social impact and business impact) of corporate community involvement. In our view this model is a good representation of strategic community involvement and can be adopted by business to strategize their engagements with community. The most important aspect of this model is that it considers the business links with communities and so highlights the stakes emerging from the accountability, ethical and management perspectives. While we have yet to see the evolution of role of businesses in addressing rights of communities across the Indian business landscape, we do have certain business leaders raising the bar by proposing corporate involvement in generic development issues, like Anu Agha who says that Corporate India can play an influential role on issues like corruption and social justice.

40. RECENT VOLUNTARY INITIATIVES

41.1 An increasing number of companies are adopting a variety of voluntary initiatives associated with codes of conduct, improvements in environmental management systems and occupational health and safety company reporting on social and environmental policy and performance , participation in certification and labeling schemes an increase in corporate social investment in for example community development projects and philanthropy. More recently there has been an upsurge of international “multistakeholder initiatives “ involving a combination of business interests, NGOs, trade unions, and bilateral and multilateral organizations, which set standards and promote monitoring, reporting and or certification. (The world summit on Sustainable Development, Johannesburg 2002)

41. DEVELOPMENTAL IMPACT OF CORPORATE SOCIAL RESPONSIBILITY

41.1 Preliminary findings from research currently being conducted by the United Nations Research Institute for Social Development (UNRISD)suggest that an increasing number of large national and transnational corporations are indeed engaging with the Corporate Social Responsibility agenda, not simply in a reactive sense but more proactively.

42. LIMITATIONS OF APPROACHES TO CORPORATE SOCIAL RESPONSIBILITY

42.1 The researcher has mentioned a number of initiatives and actions by the governments and corporations in the developed countries as also how several other developing economies are emphasizing the corporate social responsibility route to economic development. The corporate social responsibility approaches since the 1990s have become inclusive in the sense that multi stakeholder initiatives are being adopted to promote the concept and practices of introducing and managing corporate social responsibility programmes. Large corporations are increasingly recognizing the need for corporate social action in the wake of consumer movements and demands of the civil society. Corporate social responsibility is being interpreted as good corporate governance and the need for good governance could hardly be overstressed.. NGOs , Trade Unions and multi lateral institutions are emphasizing adoption of codes and standards to promote monitoring and certification of which Global reporting initiative is one example.

42.2 The issues involved in encouraging and institutionalizing public private partnerships are also debated world wide. While the need for newer and innovative measures to assess the impact of corporate social responsibility programmes on the society and community is stressed, we have yet to achieve significant progress in this regards. One the one hand large corporations have not much difficulty in committing some resources towards the promotions of corporate social responsibility, on the other the execution of multifarious schemes of corporate social responsibility and their monitoring and evaluation raise some fundamental concerns. corporate social responsibility is not the core competence of the corporate planners and top executives of the large corporations regardless of their ownerships. It is necessary to have an assessment if the government and various institutions are to be committed to durable public-private partnership.

One of the limitations of the approaches to promoting corporate social responsibility has been the relative lack of clarity of the definition of corporate social responsibility and models of corporate social responsibility to be adapted by the companies. The net result is that regardless of ownership, the large corporations are undertaking multifarious activities, without developing the core competencies adopting adequate institutional safeguards to ensure an appropriate framework for Corporate Social Responsibility implementation. The second limitation is that many corporations, especially the public enterprises, who are ready to engage in corporate social responsibility as it is being mandated by the Government are not in a position to determine what segments of socially responsive investments they should commit themselves to.

They are on the look out for project ideas and they may hold dialogues with the NGOs and other organizations as an exploration but they many not get much out of such an exercise because of inadequate focus on the agenda building and agenda ownership process. One of the consequences is that the corporations prefer the existing product existing market model and therefore adopt the measures and social action programmes that other corporations are implementing. This is turn shows a relative lack of measures to innovate and evolve newer corporate social responsibility leadership roles. The preference for standardized approaches does not allow opportunities to the corporations to adopt local approaches. Also in this process the public private partnership may leave out a significant segment of the small and medium enterprises that may often bear the brunt of implicit costs of corporate social responsibility programmes adopted by the mega corporations.

42.3 The World Bank research has classified public sector engagement into mandating, facilitating, partnering, and endorsing and in performing each these roles the enterprises will need to move beyond compliance mindset. In the mandating role, the key areas are: control legislation, regulation, legal and fiscal penalties and rewards: in the facilitating role the key areas are: enabling legislation, creation of incentives, in partnering, the focus is on :combining resources, raising resources and dialoguing and in the endorsing arena the focus is on obtaining political support and undertaking publicity measures (Tom Fox, Halina Ward, and Bruce Howard,2002)According to the world bank study cited above, some of the key constraints in the public sector roles are : lack of capacity to negotiate and implement projects, integrating Corporate Social Responsibility with the regional schemes, lack of engagement with processes and guidelines, weak institutional and weak organized labour among others. The third question that needs to be addressed is the need for capacity building in corporations that are seriously pursuing corporate social action on a long term basis. The skills, knowledge and attitudes required for planning Corporate Social Responsibility approaches, implementing the same, and evaluating various outcomes are just not available with the corporations. The operating executives would need training and development programmes and possibly a long term engagement with a reputed CSR practitioner and/or consultant in order to professionalize the activity. A related question is internal stakeholder involvement in the proposed and or ongoing CSR activities. Unless the internal stakeholders subscribe to the concept and practice of CSR, it would be very difficult to undertake extensive schemes of CSR promotion for the external constituencies of the civil society. Last but not the least, large corporations in order to engage in a durable public private partnering process should develop a focus and not attempt a generic, all inclusive variety of CSR role and function. Within the public policy framework in a given country, a corporation needs to identify areas of interests and capability to take up CSR in a focused manner.

42.4 One of the main difficulties in countries like India is that while competition is somewhat easier, the institutions and enterprises find it very difficult to collaborate because of various reasons. In part, this is attributable to the lack of open communication on and knowledge of CSR within and outside corporations, therefore in other words there are issues of mindset and culture which are fundamentally more important . It is in such a context that in countries like India we need to endorse and encourage the recent practice by some leading public and private corporations appointing specialist in CSR as a

part of the top management team for introduction and management of CSR roles and functions. (Corporate Responsibility by Dipankar Gupta 2005)

43. CONCLUSION

43.1 The researcher would like to conclude this discussion by endorsing several views in a summarized form in that currently there are three concepts in business and academic circles concerning social responsibility of business-profit maximization, trusteeship, and the “quality of life” concepts. The role of business in society is evolving in conjunction with global social and economic forces, constantly changing many aspects of how and where businesses operate. Business must respond to these challenges which are continuing to satisfy customers needs and to provide a reasonable rate of return to shareholders. Globalization the combined processes of faster communications, lower trade barriers ,increased capital flows and greater individual mobility is integrating economies and societies around the world. This has coincided with a global shift towards democratic market based economies to the point where more than ever before , people live under governments of their own choosing. While quality of life has improved for many sustained poverty reduction will require continued global economic integration, which leads to faster and more widespread economic growth.

43.2 Since business as an institution exists only because it is sanctioned by society, it is inevitable that business managers will come in line with society's expectations. Hence, the modern concept (Phase III) of the social responsibility of business will become more and more accepted by public in the future. In terms of enlightened self-interest the responsible manager be it Marketing Finance, Personnel or HR must be sensitive to society's needs in making business decisions at the same time the responsibility for making profit has not been reduced correspondingly. As a result, the manager's job has become exceedingly more difficult. It can be concluded that Corporate Social Responsibility has been influenced by two major concepts stakeholder model wherein it is recognized that good business practice entails engaging all stakeholders in company's business. So good business is not only seen as maximizing shareholder values but also stakeholder values. The other concept is triple bottom line where companies would no longer be judged by the conventional single i.e financial performance but also in their social and environmental bottom line.

Thus the researcher would like to submit that Corporate Social Responsibility is viewed as a comprehensive set of policies, practices and programmes that are integrated throughout business operations and decision making processes and supported and rewarded by top management. By expressing their social responsibility companies are affirming their role in societal and territorial cohesion, quality and environment. Despite the wide spectrum of approaches to Corporate Social Responsibility, there is full agreement to the following notions on the subject

- Corporate Social Responsibility is behaviour by businesses over and above legal requirements, voluntarily adopted because businesses deem it to be in their long-term interest;
- Corporate Social Responsibility is intrinsically linked to the concept of sustainable development: businesses need to integrate the economic, social and environmental impact in their operations;
- Corporate Social Responsibility is not an optional "add-on" to business core activities - but about the way in which businesses are managed.

Though the researcher has been sharing her views intermittently while extending the discussion in this Chapter however would like to conclude with establishing points of linkages with social work and identifying issues to be addressed by parallelly summarizing how, why and what social work has been doing in the past w.r.t roles and functions and prepares a rationale and significance for this investigation and also a passing reference to role of HR.

PART - 2

1. CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL WORK: RELEVANCE , SCOPE AND LINKAGES

1.1 The Social Work profession promotes social change, problem solving in human relationships and the empowerment and liberation of people to enhance well being utilizing theories of human behaviour and social systems, social work intervenes at the points where people interact with their environment. Principles of human rights and social justice are fundamental to social work. (IFSW,2004),Social work is a professional method of helping people . It improves their social functioning and resolve their social problems, individually or collectively, by effecting adjustments between men and their environments and by providing the resources needed by the people. Social welfare agencies are institutions within which social workers offer professional help to people who are needy disturbed, disadvantaged, distressed, disabled, deviant, defeated or dependent. It deals with planned change in personality and social systems and in their relationship (Siporin, 1975:27) Corporate Social Responsibility and social work have direct relevance due to the interaction of business and society to utilize large resources of the corporate sector and demonstrate expertise to solve problems of the society through planned interventions.

1.2 Social Work as a profession has contributed immensely to the field of personnel management labour welfare, industrial relations, Human Resource Management , industrial social work and corporate community involvement . It encompasses the wide gamut of people related issues and problems for addressing individuals needs and aspirations for growth and development at one end and fulfilling organization objective of profit and productivity and also being supportive to the concerns of social environment through community welfare and development initiatives.

1.3 As a discipline the unique competencies which the profession of social work has benchmarked are in the form of methods of working with people in all aspects of human life in different settings. These methods are social case work which aims to enable individuals at micro levels to enhance and restore their psycho social functioning ,positive responsibility and accountability, social group work aims at developing the potential of individuals within the groups and groups as a whole for team building and organizations effectiveness through knowledge and skills of working with groups analyzing and

understanding group processes, group dynamics and group cohesion for enhancing group functioning, for leadership, clarity of goals coordination and networking amongst members and groups of various units in the organizations and those of communities. Community Organization is another important method that provides a body of knowledge and profound skills of working with communities and ensuring effectiveness community participation through programme planning, resource utilization, community involvement, and identification of felt needs and understanding of complexities of communities. Social welfare methods provides inputs as a method in understanding organizations, organizations theories, structures functions and working of social welfare agencies. Effectively coupling and running across all these methods is the method of social work research .It aims at building analytical and social diagnosis skills scientific temper and mind in addressing pertinent social issues through various methods described above through professional knowledge and skill in problem identification, various methods of data collection with a thrust on qualitative methods analysis and evaluation needed to assess various social and community programmes, conduct review and devise strategies for action plan for policy action ,advocacy and further research .

1.4 Social work as a profession has been rendering its services in various workplaces including industry in India since its beginning though it is considered as a secondary field. Industrial social work is an area of service delivery added to the profession of social work, its development is influenced by the historical forces like social economic and cultural in a particular country and influenced by the social policy of the country (Desai and Doel 1979)

1.5 The researcher has briefly touched some of the important landmarks and trends affecting the present business scenario and relevant in the context of Corporate Social Responsibility. Social Work evolved in India during early days of industrialization which caused personal and social disorganization in form of problems like alcoholism, gambling, drunkenness, prostitution, indebtedness, absenteeism, indiscipline, labour turn over , slums and industrial accidents. Since its inception social work education and professional practice has laid immense importance to the field of labour welfare and industrial relations.

1.6 Another mile stone in the area of industrial social work in India is has been establishment of the Tata Institute of Social work in 1936(Sir, Dorabji tata Graduate School of Social Work then) Industry as a field of social work practice has been specially identified and included as a field of social work practice since industrial labour largely comprises of the underprivileged group of population needing special welfare services in industrial setting and thus CSR and social work have a direct relevance. Therefore the enactment of Factories Act 1948 which stated that every factory employing five hundred or more workers should have labour welfare officer has been a professional landmark in the creation of welfare officer in industry, which laid down in details the duties, qualifications etc ,of this new statutory officer in industry. The recognition of post graduates in social work (with specialization in Labour welfare) for post of welfare officer gave new thrust to its curriculum and training .The five year plans of the country laid heavy emphasis on provision of services and facilities for industrial labour like health service, social security programmes , housing welfare funds etc which were mainly largescale measures to enhance living and working conditions of industrial employees. Hence it became increasingly difficult for the labour welfare officer to apply his specialized skill of social work which led to the need of social work specifically trained for the above duties. It is this point which can be traced as the beginning contribution of social work in the area of Corporate Social Responsibility particularly employee, labour and community welfare.

1.7 In 1960s as an outcome of the European seminar on personnel social work held in Belgium the practice of industrial social work was introduced in India though in few schools it was being practiced thenand many schools of social work introduced specific courses for the same. The main point the researcher is trying to make that this practice has been found outside the scope of statutory requirements more by the voluntary nature of responsibility of the corporate.

1.8 Thus the employment of industrial social worker/personnel officer is of a voluntary nature and falls outside the scope of statutory requirements (Ramchandran and Padmanabha 1969) For many of the social workers the entry point in the industry was Family planning programmes. The aim of the personnel social work was developing the inner resources of the employees and encourage other staff and functionaries to adapt the work situations to the personal needs for the employees. Referrals to other agencies to community for specific problems of the employees formed an important aspect of the social work in the industry.

Besides they were to look after the problems of absenteeism , decline in workers productivity, motivation, alcoholism and contribute to community work with the objective of ameliorating the effects of industrialization and urbanization on the personnel adjustment of the employees. Thus professional social worker entered the industrial field basically for welfare of the industrial labour and his family but soon started functioning in other areas too. It was felt that social worker has necessary competencies and is well oriented to the agencies of the working class having social work approach and was effective in implementing labour legislations and other welfare functions in the in industry.

Another notable development has been the emergence of trade union in India . Labour welfarism evolved in India with the growth of industrialization and trade unions in India . Several agencies came into existence in past seven decades to deal with employees. The graduates of social work were accepted in all fields of Labor Management viz. labor welfare, industrial relations, personnel, human resource development, HRD counseling. In order to restore the balance between man, machines and environment caused or created by industrialization, the social work intervention proved effective. More specialized social work services like employees counseling, personnel counseling, industrial social work came during 1960-70s. 1970-80's have been marked by the professionals like human resource managers in the workplace and during 80-90's by human resource development. Baroda school of social work has taken a lead and continuously strived for revitalizing the concept of social work in Industry and has taken massive initiatives to respond to the needs to industry by corresponding inputs in social work and HR education to meet the personnel and HR needs of the industries with other schools of social work in India .

1.9 Corporate Social Responsibility involves several dimensions of employee assistance both within and outside industries for the larger communities however is much broader in scope than employee assistance programme .The Employee Assistance programmes (EAP) is a core component of occupational social work . The new HRD approach has opened up many challenges and the HR philosophy and basic values are similar to social work professional with a greater thrust on the development component of human resources than just maintenance. Thus social workers commitment lies on both delivering the services and benefits and in creating humanistic forms of organization leading both to human and material advancements". (Siddiqui: 2004:104-105).

1.10 Presently, Human Resource Development (HRD) officers are taking the place of Personnel Managers, officers and carrying out the responsibilities of the HR department. The concept of labor welfare is being gradually developing as a concept of employee benefits and personnel services. (Nalinni, 2005:257). The very approach is becoming more right based and thrust is towards employee development and well being at work place. In many organizations, Industrial Relations (IR) and personnel Administration are getting merged and the role of trade union is diminishing. Thus CSR tools and techniques can be effectively designed if the profession will find a new way of practicing social work at the industry and for developing occupational social work practice with various models and approaches to suit to the needs of the industries in India with more vigor and vitality.

1.11 Social work practice in the industry has been operational form the time it was introduced in the country. Over the years, the social workers have taken up many roles in the industry. Apart from being a part of the statutory measures, social worker in the industry plays a major role in social development sector. In the review chapter the researcher has discussed the various models of practice of social work in the industry.

2. CORPORATE SOCIAL RESPONSIBILITY AS PART OF SOCIAL WORK PRACTICE

2.1 It is important to note that one very important form of industrial social work in industrial house is Corporate Social Responsibility. It is based on the fact that business owes its responsibility towards society first as a result of the impact of its own operations and secondly, as the unit of the society in which it operates. The former is related to what the organization does to society by way of its specific operations, whereas the latter deals with what the society demands from it. Nevertheless, regardless of reasons, business organizations need to discharge social responsibilities, even though they may not be directly responsible for social problems (Pandey, S. N. 1991) CSR takes various forms such as community development work in and around the area where the organization is situated responding in times of national disasters partnership with government agencies for policy implementation on social issues, partnership with 'NGOs in support of a cause. However, even to this day, barring small number of organizations, most of them limit their involvement in nation development to tax payment. The task of service delivery to the society lies with the government. It is vital that the business sector is made to shoulder greater responsibilities towards nation building / social work is taking a lead in identifying

prospective areas for Corporate Social Responsibility, which has enabled the proper utilization of abundant resources avoiding duplication in efforts and above all providing the most needed professional approach to these ventures.

2.2 Some of the current fields of practices of social work in the industry are namely, Industrial counseling, Industrial social work, Employee support system, Employee assistance programme, CORPORATE SOCIAL RESPONSIBILITY as an Extended EAP, Social service foundations by the Industries and building partnership with NGO's. In all these activities taken up by the industries, social workers a key role in planning, co coordinating, implementing and evaluating the services.

2.3 In the globalized era of industrialization, industry is faced with new issues like, health needs, mental health issues, stress among the workforce, child and elder care, family planning and family welfare, employees development, organizational development, career development and training work with the unemployed and under employed, employees seeking VRS, job retrenchment, golden hand shake retirement planning, social responsibility, employee benefits, occupational health and safety, job development, behavioral problems, alcohol and substance abuse reduction programme, issue of child labor, HIV/AIDS at the workplace, legal issues, market related problems, pre and post retirement services.

2.4 Employees assistance programme are therefore designed to meet such issues that are certainly an effective mechanism to handle all these issues.

2.5 It has also been noted " structural and other changes in the world economy have posed new challenges to trade unions in many countries. In traditional industries, trade union strength is declining and in new, modern, hi-tech workplaces unionization is becoming difficult (Ratnam & Verma 2004:05). It is in this context counseling as a programme is offered to employees at the worksite to meet the present challenges. There is increasing requirement of corporate sector in seeking professional help for effective social interventions in human, family and social problems not only for employees but employee families and community.

2.6 As mentioned earlier, social work in the industry is an established field of practices. However, social work in the industrial setting in the west is generally known as occupational social work it is known in different names in different countries.

2.7 Kurzman (1987) defined occupational social work as: "programme and services, under the auspices of labor or management that utilize professional social workers to serve members or employees and the legitimated social welfare needs of the labor or industrial organization. It also includes the use by a voluntary or proprietary social agency, of trained social workers to provide social welfare services or consultation to a trade union or employing organization under a specific contractual agreement".

2.8 Occupational social work is concerned with organizational and environmental change to foster healthier and more healthful organizations and communities. It can be summarized that Occupational Social work is not limited to work, workers or work organizations, it addresses issues beyond work place hence respond to communities in general and workers environment in particular and hence relevant to the industries for various interventions in social work for different areas of Corporate Social Responsibility.

The various models of occupational social work has been discussed in the review of literature chapter.

2.9 Corporate Community involvement is one of the models of occupational social work. In India the term occupational social work can be seen as being synonymous to Industrial social work (Siddiqui and Sukhramani, 2001). After World War I, the concept of management and human relations gained ground which provided impetus to Social Work practice in industry especially on issues related to the adjustment of workers with machine and factory environment productivity and role performance. The main objective of the social workers was to provide welfare facilities for the employees later the scope of social work professionals expanded to cover industrial relations and personnel management and more recently human resource management. Thus within the Industrial organizations, a number of trained social workers are working but in to departments as diverse as labor welfare, personnel, public relations etc. Vishwanathan (1963). Thus there is a diversity of functions performed by the social workers in the industrial organizations. It addresses personal and family needs, problems, intra and inter personal issues, occupational health and safety, social security, employees welfare programmes. Such activities can be classified in three groups: (i) Personal, intra personal or inter personal needs / problems of an employee resulting into work related problems (ii) health, Safety and Welfare including occupational health diseases, statutory safety measures and voluntary / protected welfare (iii) community

developmental programmes arising as welfare needs of larger masses who were deprived of human rights seeking social justice on one end and struggling structural change on other.

2.10 Corporate Social Responsibility functions particularly those with reference to communities can be executed through employee assistance programmes and various community organization methods used with several objectives of , correction, prevention and rehabilitative and enhance integrated partnerships with other agencies. EAP is treatment oriented and aims to assist the individuals first and then family members. It is basically to help the employee address his/her personal problems there by increase productivity.

3. CORPORATE SOCIAL RESPONSIBILITY IN CURRENT CONTEXT & SOCIAL WORK RESPONSE

3.1 In the pose globalized economy Corporate Social Responsibility has been introduced as a new concept with a wide range of activities undertaken by the corporate sector . Problems and growth perspectives for organizational development are managed by senior HR and personnel managers today with two decades of continuous transformation owing to the massive change in the social economic and business environment particularly changes ushered through the NEP. In 1991 and opening of Global economy through and environment characterized since by increasing Privatization, liberalization and Globalization (Navale . 2004:93).

The researcher aims to understand the discipline of Corporate Social Responsibility with several dimensions as enlisted in the objectives to find out the how and where social work interventions needs to be strengthened in order to assist business organizations perceive plan and perform their Corporate Social Responsibility function in order to effectively

- ❖ Facilitate the inclusion of marginalized socially excluded dispossessed vulnerable and at risk groups of people
- ❖ Address and challenge barriers inequalities and injustices that exists in society
- ❖ Assist and mobilize individuals, families and groups and communities to enhance their well being and their problem solving.

- ❖ Encourage people to engage in advocacy with regard to pertinent local, national regional and/or international concerns
- ❖ Advocate for and /or with people the formulation and targeted implementation of policies that are consistent with the ethical principles of the profession
- ❖ Advocate for and /or with people ,changes in those structural conditions that maintain people in marginalized dispossessed and vulnerable positions.
- ❖ Work towards the protection of people who are not in a position to do so themselves for example children in need of care and persons experiencing mental illness or mental retardation within the parameters of accepted and ethically sound legislation.

3.2 Social Work will serve as a dynamic response to public or private effort in implementation of Social Policy with a view to raise the standard of living and bring about social , economic , political and cultural well being of individual ,families, group and society under the auspices of the corporate sector with management excellence and resources to be channel zed very constructively and meaningfully for society irrespective of its stage of development . Thus the aim of Social Work through CSR will be towards evolving programmes aimed to remove Social injustice relieve stress and prevent sufferings to assist the weaker members of society to rehabilitate, themselves and their families .

3.3 The profession of Social Work gives specialized services which aid individuals and groups to achieve these goals . Further the profession of HR advances this goal by developing, nurturing and sustaining the potentials of Human resources for accomplishment of individual aspirations and Organizational goal. It also makes efforts in modifying or reshaping social and economic institutions, which are inimical to the attainment of this broad democratic goal.

Kurtzman provided a list of job description of tasks which social workers undertake in business or industry through use of various method skills of case work, group work , social welfare administarion, community organization and social work research.

3.3.1 **Counselling** home visits and follow up and other activities with troubled employees in jeopardy of losing their job to assist them with their personal problems and to help them achieve and maintain a high level of performance.

3.3.2 Planning advising, implementing and evaluating the programmes based on the needs of the communities and advocating on the use of community service to meet the needs of the clients and establish linkages with such programmes.

3.3.3 Training front line personnel (union representatives, foreman, line supervision) to enable them to determine when changes in an employees job performance warrant referral to a social service unit and carrying out an appropriate approach to the employee for referral.

3.3.4 Developing and overseeing the operation of a union or management information systems which will record information on services and provide data for analyzing HR programmes

3.3.5 Conceiving plans for future direction of HR programmes though now managed exclusively by HR professionals based on the identification of unmet needs and current demographic trends.

3.3.6 Offering consultation to labour or management decision makers concerning the development of human resource and Corporate Social Responsibility policy

3.3.7 Helping to initiate welfare, community health, recreational or educational programmes for employee and local communities to ensure community development in surrounding belt.

3.3.8 Assisting in the administration of the benefit and health care structure and helping plan for new initiatives.

3.3.9 Consulting on the development and administration of the benefit and health care structure and helping plan for new initiatives.

3.3.10 Consulting on the development and administration of an appropriate affirmative action plan for deprived population groups particularly women, children, disabled, and minorities and local communities.

3.3.11 Advising on Corporate Social Responsibility both from the social and business point of view for strategic social work interventions and business response for society .

3.3.12 Advising on corporate giving or labour coalition building and organizational positions in relation to pending social welfare legislation.

3.3.13 These kinds of tasks could be carried out through a variety of positions. Hutzman mentioned among them the following jobs: Personnel services worker, educational programme director, occupational safety and health officer, health and security and plan manager, membership services coordinator, career training and upgrading advisor , pre retirement services, workaday care consultant , community service coordinator, Community organizer ,alcoholism programme supervisor and director of retiree services.

4. RELEVANCE OF HR

4.1 Since HR profession draws from the fundamental philosophy of inherent worth in the dignity and potentials of human beings and aims at further enhancing human capacities for growth and development it has a distinct relevance in Corporate Social Responsibility The Social Work orientation , knowledge base, methods and skills can help improve important of the internal external dimensions like workers participation, ethical and humane behaviour of corporate, labour and human rights , employee assistance and community development while HR also has a significant role in integrating CSR function into the core business strategy through initiatives in HR since the personnel function was born out of concern for employee welfare and HR has the potential to play a significant role in developing corporate social responsibility. Benefits from corporate social responsibility include offering distinctive positioning in the market place, protecting reputation, building credibility and trust with customers and employees and supporting community development around industrial enterprise.

4.2 However it is not necessarily to be seen as a marketing issue, if it is to be creditable, corporate social responsibility has to be a strategic issue crossing departmental boundaries and affecting the way in which the company does business. Managing risk and trust are key issues for HR practitioner and corporate social responsibility can offer framework for managing both. Dave Ulrich has said that one key role of the HR practitioner is to be an employee champion. Social Work and HR practices are heavily underpinned by ethical beliefs.

4.3 Thus Social Work and HR have a relevance in building the business case for action on diversity , learning and team building, employee growth and development and positive social and environmental impact, these and other practices have a strong utilitarian justification in terms of benefiting those affected by them.

Successful corporate social responsibility programmes depend on enlightened people welfare, development and management practices and both the profession aim at supporting human development whether through the organizational framework or through distinct interventions for various populations groups in communities. The HR dept is responsible of many of the key systems and processes (eg. Recruitment, training, performance appraisal and communication etc) whereas social work skills and methods are imperative for functions like labour welfare, addressing labour issues and problems, effective employee counseling , individual and group counseling etc. getting the employment relationship right is a pre condition for establishing effective relationships with external stakeholders. Corporate social responsibility does not change so much as broaden the HR agenda and focuses on effective implementation.

4.4 Compliance with legal obligations is a key issue for managing risk, but compliance is essentially defensive. HR needs to promote positive behaviors and relationships in the workplace. The role of regulation remains marginal to achieving this objective. The psychological contract offers a useful framework for managing people. It rests essentially on the idea of a deal between the employer and employee which is based on trust, fairness and willingness to deliver on the deal. The basic assumption is that in order o motivate and retain employees employers have to treat them properly.

4.5 The issue for Social Work and HR practitioners is how far they are going to be involved in developing corporate social responsibility. Managing and developing people are firmly in the mainstream of corporate strategy. The way a company treats its employees will contribute directly to the picture of a company that is willing to accept its wider social responsibilities. It is becoming imperative that companies report on their social and environmental performance along with its economic performance .The key challenges for Social Work and HR from corporate social responsibility are about ensuring a significant contribution of the corporate towards social issues, developing structural and operational framework for effective implementation Corporate Social Responsibility integrating it with the company's core purpose and values ,developing effective partnerships with stakeholders,. translating corporate social responsibility policies into practice. Getting the employment relationship right is a precondition which establishes a strong ground for undertaking a research

5. Social Work Imperatives to address CSR

5.1 As social work aims to address concerns about sustainable and equitable development and believes in the inherent potentialities of the individuals , aims for capacity building of the people, organizes and balances the need and resources of the community, advocates the cause of the weaker sections of the society , promotes voluntary action and pressurizes the government and the corporate to work for sustainable growth and development. Social Work and HR profession has been directly or indirectly influencing and leading the movement of corporate social responsibility through increasing concern of the human element in the workplace and community which lies in realm of Social Work and HR profession.

5.2 Social Workers & HR professionals and the civil society together have a great role in making corporate social responsibility an operational entity in India and this study is an initiative with a distinct purpose to identify, deliberate and fill the gaps through a close dialogue with the corporate sector and initiatives needed to introduce corporate social responsibility as a special subject along and various initiatives at the policy and programme level for mandating CSR in order to address it more effectively with initiatives in further research so as to equip professionals & business managers in meeting the challenges faced by the corporate in this area.
