CHAPTER II

REVIEW OF LITERATURE

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2.. INTRODUCTION OF REVIEW OF LITERATURE

This chapter presents the review of the related literature for the present study. Research work cannot be completed without the in-depth study of the earlier researches. Prior research work not only provides guidance but also throws light on the direction in which any new research must proceed. The researcher has tried to scan the all literature available to him form various sources so as to determine the objectives and methodology of the current research work. A number of studies have been reviewed with intent to understand the research methodology, research findings and to find out the gaps that exist in literature in this area. It has been noticed that most of the international studies relate to measurement of extent of the social disclosures mainly on six themes i.e. environment, energy, human resources, product, community development and others.

The review of literature has been divided into two parts: 1.international studies on Corporate Social Responsibility 2. National Studies on Corporate Social Responsibility.

2.1. CSR - INTERNATIONAL STUDIES:

Some studies examine important research in CSR literature and identify critical research gaps (Carroll 1999; Garriga and Melé 2006; Lee 2008; Secchi 2007). A recent International Journal of Management Reviews article argues that conceptualizations of and research on CSR have evolved along two avenues (Lee 2008): In terms of the level of analysis, researchers have moved from a discussion of the macro social effects to an organizationallevel analysis of CSR and its impact on organizational processes and performance. In terms of the theoretical orientation of this field, researchers have shifted from explicitly normative and ethics-oriented arguments to implicitly normative and performance-oriented managerial studies.

The high ranking of corporate social responsibility (CSR) on research agendas (Greenfield 2004; Maignan and Ralston 2002; McWilliams et al. 2006; Pearce and Doh 2005) appears reflected in theoretical and managerial discussions that argue “not only is doing good the right thing to do, but it also leads to doing better”

(Bhattacharya and Sen 2004: 9; see also Dunphy et al. 2003; Kotler and Lee 2005). As a result, CSR has moved from ideology to reality, and many consider it necessary for organizations to define their roles in society and apply social and ethical standards to their businesses (Lichtenstein et al. 2004). Although organizations increasingly adhere and demonstrate their commitment to CSR (Pinkston and Carroll 1994), many struggle in this effort (Lindgreen et al. 2009).

Andrew et al (1989) used descriptive statistics to confirm the earlier findings that HR is the most disclosed theme followed by product, community and lastly by environment. The study also found 15 that medium to large companies made more social disclosures. These disclosures were mainly declarative and no enough evidence could be gathered to confirm or refute the association between industry and corporate social reporting.

Guthrie and Parker (1989) conducted a longitudinal study covering 100 years to relate corporate social reporting with the needs of the corporations to legalize their actions. In his research the legitimacy theory has been rejected taking six thematic disclosures namely environment, energy, human resources, product, community development and others. The thematic disclosures were measured on the basis of space incidence.

Savage (1994) reported that out of 115 South African companies approximately 50 percent of companies are making social disclosures with human resource (89 percent) as the main theme. Human resource disclosures related to pay, working conditions, compensation and equal opportunities. Other social disclosures include community involvement (72 percent) and environmental disclosures (63 percent).

Gray (1996) attempted to explain the disclosure of social and environmental information in the annual reports of large companies by reference to observable characteristics of those companies. An extensive literature has sought to establish whether variables such as corporate size, profit and industry segments can explain corporations' disclosure practices. The results from these studies predominantly North American and Australasian literature are largely inconclusive. This paper provided an extension of literature by considering a more disaggregated specification of social and environmental disclosure and by employing a detailed time-series data set. By so doing, the paper tested two possible explanations for the inconclusiveness of prior research: namely that any relationships between corporate characteristics and disclosure are dependent upon the type of disclosure and that any such relationships are not stable through time.

Belal (1999) reported that out of the companies selected, maximum number of companies made disclosure on employees, marginally followed by disclosure on some environmental and lastly on some ethical issues in Bangladesh.

Kilcullen and Koolstra (1999) focused on changing role of business ethics and CSR. They found that CSR has taken hold as a movement and though some organizations still indulge in unethical behavior but many more firms take social responsibility towards their stakeholders.

Purushotahman (2000) focused on corporate social reporting in Singapore, taking five themes such as environment, human resources, energy, community involvement and products and services. The study concluded by presenting a relationship between size of the company and CSRD. The relationship was doubtful regarding industry and corporate social reporting. The economically better performing companies were found to be more inclined towards corporate social reporting. It also asserted the fact that human resources was the most disclosed theme and that award winning companies were following more corporate social reporting practices.

Steven Voien (2000) provides a comprehensive overview of every major area of Corporate Social Responsibility, describing business benefits, recent developments, external standards, implementation steps, real-life leadership examples, sample policies, award programs and contact information. Issues covered include: mission, vision and values; business ethics; governance and accountability; community economic development; community involvement; environment; human rights; marketplace practices; and workplace policies.

Belal (2001) pointed towards lack of adequate research in corporate social responsibility disclosures been in the context of developing countries. This study reported the results of a survey of CSR practices in Bangladesh. In addition to measuring the extent and volume of disclosures by using content analysis, it explored the socio-political and economic context in which these disclosures take place.

Richardson (2002) reported that between the 1992 and 1996 more than 1000 companies across the world reported their social and environmental performance. Such disclosures were made in a range of documents covering annual reports, press releases and advertisements. Of late, there is clearly noticeable trend towards issuing stand alone reports on socially responsible practices.

Imam (2002) found in an empirical research that most of the listed companies in Bangladesh did not provide any information regarding the environment, human resources, community, and consumers in 1996-97. Although some progressive companies disclosed some selective information, it was not at all sufficient in discharging social responsibilities. All the information provided by these companies was qualitative in nature and the disclosure level was very poor. Except HR most of the reporting was qualitative in nature. Other aspects like environment, consumer, community involvement and other social aspects are totally neglected by most of the companies.

Garcia-Ayuso and Larrinaga (2003) Empirical research hypothesized that size; profitability and the potential environmental impact of the firm the main factors explaining the amount of information disclosed. The environmental implications of the activities carried out by these companies also seem to receive more attention from print media. The results also provided evidence that two factors directly associated with the amount of environmental information disclosed are the potential environmental impact of the industry and the extent of media coverage of the firms. It was found that, on an average, the company disclosed approximately 13% of the items included in the index. The results of the regression analysis identified size, profitability and risk to be significantly and positively associated with the disclosure of social responsibility information.

Ronald R. Sims (2003) writes to enhance understanding of the causes of ethical debacles in an era when ethical missteps can often lead to corporate bankruptcies or worse. Sims offers practical solutions for mitigating damage and preventing such problems from happening in the first place. He also explains how to institutionalize ethics throughout an organization and asserts that organizations wishing to behave ethically must do more than harbor good intentions. Such companies must implement policies that inculcate the corporate culture with ethical values. They must also commit to ethical behavior in all interactions with internal and external stakeholders, including investors, customers, employees, and the community.

Nongnooch and Sherer (2004) concluded their research with regard to corporate social reporting practices in Thai and strongly pointed out that Thai practices were not able to realize their full potential to function as enabling communication. The authors have thrown the flood gates of information open with regard to severe and hellish working conditions of workers in Thai factories and equally irresponsible behavior of the corporate in that country. A slight reduction in the number of companies reporting their social and environmental information from 86 per cent in 1993 to 77 per cent in 1999 was found. The researcher held the opinion that the slight reduction may be attributed to the economic cycle and corporate profitability in that as companies in Thailand confronted the financial crisis in 1997.

Samuel (2004) found in their empirical research that increasing number of companies in UK, irrespective of their size are recognizing that corporate social reporting is beneficial for them. Consequently 80% of FTSE (Financial Times Stock Exchange) -100 companies provide information in one form or another about their environmental performance, social impact, or both. Reporting practices varied from very sophisticated and well managed systems to a brief mention in annual reports o the companies. One of the surprising findings was that the several international and local organizations hinder rather than promote the cause of social reporting by suggesting different formats for presentation of corporate social information. Research also indicated that UK companies are making reasonable efforts to disclose their social and environmental efforts.

Frost (2005) reported that out of conventional annual reports, discrete reports, corporate website the first one is least valuable source of information on corporate social disclosures and expected them to be replaced by newer and less traditional reports indicating sustainability. Discrete reports provide 19 the highest level of social disclosure but frustratingly it was dominated by environmental disclosures. The usability of discrete reports was reduced by inconsistencies and frequent gaps. Though the websites provided a wider range of disclosures but the complete reliance on these reports was not expected or suggested.

Sunee (2006) analyzed 40 largest Thai companies to explore the extent and nature of corporate social reporting. Corporate social reporting disclosure was measured on five key themes. Number of words and trend analysis were used to know the extent of disclosure. To associate the corporate social reporting to industry size spearman’s Rank correlation was used. The study disclosed that HR theme was the most disclosed area accounting for 37 to 42 percent of total corporate social disclosure. It was followed by community which first increased and then decreased. On the third ranking was environment and products which decreased in the disclosure over a period of time. Energy was the least disclosed theme among these 40 Thai companies.

Jan Jonker, Marco C. (2006) have described about implementation strategies for Corporate Social Responsibility is a risky business. In current global conversations, CSR tends to be as much about semantics as substance. They examine the fundamental idea that drivers should be found primarily within the heart of organizations and expressed through various implementation strategies. It discusses emerging organizational perspectives on CSR, and considers the changes and consequences of implementing CSR.

Edelman Trust Barometer, (2007), Edelman, a leading global public relations firm headquartered in New York, released its new Edelman Trust Barometer on January 22, 2007. This involved a survey of 3,100 opinion leaders in 18 countries. Edelman concluded that business is more credible than government or media in 13 of the 18 countries surveyed; more respondents in 16 of 18 countries felt that companies have more of a positive impact on society than a negative impact.

Ki-Hoon (2007) carried out a research that the most companies in South Korean electronic industry to understand importance of relations with key stakeholders. Use of universal code of conduct for external responsiveness has been disregarded. Qualitative data on top management commitment, social and environment performance and reporting, fines and penalties and finally eco products was collected. The cluster analysis was carried out to label clusters as laggard, limbo, champion and fire-fighter on the basis of corporate social responsiveness.

Radu Mares (2007) explains that the responsible business practices of leading companies are significant not only as isolated instances of self-regulation, but that they also contribute to a broader rule-making process which has been underway in the last decade and is aimed at making business more responsive to human rights and environmental concerns. The flexibility of existing laws as well as the emergence of new regulations relevant to Corporate Social Responsibility is highlighted. As CSR increasingly interacts with public policy, some insufficiently understood effects of CSR appear that can help us advance toward more systemic solutions in the business and human rights area. This study identifies variables that states can stimulate through a wide range of interventions ranging from capacity-building measures to policy to hard law so that responsible practices get diffused more broadly and deeply in the business community. The intended audiences are legal experts with an interest in enhancing the protection of human rights in developing countries, and CSR theorists and practitioners mindful of the broader social dynamics that surround the implementation of CSR commitments.

Barut (2007) in his thesis investigated the emergence and level of voluntary social reporting through (TBL) Triple Bottom Line reports by the top 100 companies in Australia. To ascertain the level of corporate commitment to TBL reporting, the reporting framework developed by Global Reporting Initiative (GRI Sustainability Reporting Guidelines, 2002) has used as a benchmark for the disclosures and as the model upon which to make this assessment of the content of the disclosures. It focused upon economic, environmental and the social components of the reports.

Jon Burchell, Milton Park, Abingdon, Oxon (2008) included key articles and original perspectives from academics, NGOs and companies themselves. They address the changing relationships between business, state and civil society, the challenges to business practice, what businesses should be responsible for, and why, issues of engagement, transparency and honesty, the boundaries of CSR, Can businesses ever be responsible? While case studies examine major international corporations like Coca Cola and Starbucks, broader articles discuss thematic trends and issues within the field.

Bruce Kibler (2008) wrote about the international aspects of corporate governance (CG) and Corporate Social Responsibility. Specifically the impact of an overemphasized shareholder value construct in the privatization process in Germany on the examples of Deutsche Telekom AG and Deutsche Post AG.

Mirfazli (2008) investigated the social focus of responsibility information disclosure as found in annual reports of basic and chemical industries groups. Annual reports were analyzed by using content analysis method. The results showed that the main social disclosure from companies registered at the Indonesia Stock Exchange were labor theme (51.60 percent), followed by customer theme (19.40 percent), society theme (14.70 percent) and environmental theme (14.30 percent), respectively. It was also found that there were no significant differences in the presentation of social disclosure amount in all themes between companies in the basic and chemical industries group or in the variety industries group.

Sobhani (2009) stated that various stakeholders of the companies in Bangladesh are gradually becoming aware of corporate operations as, The Securities and Exchange Commission (SEC), the controlling body for the stock exchanges, has taken necessary action to establish corporate governance of the listed companies in Bangladesh. The researchers attempted to revisit the state of CSED through content analysis. In Bangladesh were found to disclose at least one item of disclosure on human resource issues; while community issues (47%), consumer issues (23%) and environmental issues (19%).

Andrew Crane, Abagail McWilliams and Dirk Matten (2009) have pointed out that business schools, the media, the corporate sector, governments, and nongovernmental organizations have all begun to pay more attention to issues of Corporate Social Responsibility in recent years. These issues encompass broad questions about the changing relationship between business, society and government, environmental issues, corporate governance, the social and ethical dimensions of management, globalization, stakeholder debates, shareholder and consumer activism, changing political systems and values, and the ways in which corporations can respond to new social imperatives.

Said (2009) examined the relationship between corporate governance characteristics, namely the board size, board independence, duality, audit committee, ten largest shareholders, managerial ownership, foreign ownership and government ownership and the extent of CSRD. The content analysis was used to extract the CSRD items from annual report and companies web sites. CSRD index was constructed after combining CSR disclosure items disclosed both in annual reports and in companies' web sites. Hierarchical regression analysis was used to examine the relationship between the corporate social disclosures index and the independent variables. Full regression models indicated that only two variables were associated with the extent of disclosures, namely government ownership and audit committee. Government ownership and audit committee are positively and significantly correlated with the level of corporate social responsibility disclosure. The most significant variable that influences the level of CSR disclosure is government ownership.

Dragomir (2010) raised recent issues like whether natural environment is a stakeholder of the firm? And whether business case exists for achieving sustainability? A sample of 60 of the largest European Union industrial business groups, extracted from the FTS Euro First 300, and an environmental disclosure index inspired by the Global Reporting Initiative Guidelines, form the basis for the content analysis of the most recent sustainability reports published before the end of 2008. A significant association was found between contemporary environmental performance and disclosure. The bigger polluters tended to disclose more on their activities, but only to a moderate statistical effect. However, no association is found between environmental performance and financial performance, as well as between environmental disclosure and contemporaneous firm performance.

Wayne Visser and Nick Tolhurst (2010) have written comparable national profiles that describe the evolution and practice of Corporate Sustainability and Responsibility for 58 countries and 5 global regions. Each regional and national profile includes key information about the relevant CSR history, country-specific issues, trends, research and leading organizations. The purpose is to give CSR professionals (including managers, consultants, academics and NGOs focusing on the social, environmental and ethical responsibilities of business) a quick reference guide to CSR in different regional and national contexts.

Samkin and Schneider (2010) reported that major public benefit entity in New Zealand uses formal accountability mechanisms and informal reporting to justify its existence. This piece of research was premised on the view that the accountability relationship for public benefit entities is broader and more complex than the traditional shareholder-manager relationship in the private sector.

Guidry (2010) attempted to determine whether market participants see value in the corporate choice to begin publishing a standalone sustainability report. It also sought to investigate whether differences in market reactions were associated with the quality of the sustainability report. The paper found, on an average, no significant market reaction to the announcement of the release of the sustainability reports. However, in cross-sectional analyses, it was found that companies with the highest quality reports exhibited significantly more positive market reactions than companies issuing lower quality reports. Finally, the analysis examined perceived value for only one potential stakeholder group – shareholders. The evidence suggested that companies seeking value from their sustainability reporting needed to carefully consider the quality of their presentations.

Crawford and Williams (2010) aimed to investigate how country contexts pressure firms for greater reporting activity and to explore the impact of these pressures on disclosure quality. A theoretical lens was used upon the three pillars of institutions: regulative, normative, and cultural in order to assess qualitatively how strong each pillar was reflected in creating a context with regard to disclosure. Expecting that countries with higher regulative pressures, such as France, will lead to a "Minimum Requirement" type of disclosure, while countries with more liberal markets, such as the USA, will present higher quality disclosure, counter-theoretical evidence was found in the results, indicating that French firms exhibit higher quality disclosure than US firms on an average. The findings, although derived from a small sample limited to the banking sector, pointed to the possibility that higher reporting quality is more closely linked to normative and cultural pressures, and that these pressures appeared to be more important in stronger regulatory contexts.

2.2. NATIONAL STUDIES ON CSR :

P**orwal and Sharma (1991)** carried out a study of CSD by public and private sector Indian companies. He concluded that various types of disclosures were made in environmental aspects, community development and human resource development. The study also suggested that private companies and smaller companies made lesser disclosure than public and larger companies. It also asserted that the rate of return and earning margin had no effect on disclosures.

Batra (1996) studied various model formats for corporate social reporting and emphasized urgent need for social auditing. The social reporting practices of many large Indian companies were studied to suggest amendments in Indian Companies Act, 1956 making corporate social reporting a statutory obligation. The author suggested that The Institute of Chartered Accountants of India should develop proper formats and standards for the presentation corporate social reporting in India.

Milne and Chan (1999) reported the usefulness of typical social disclosures from corporate annual reports for investment decision-making. They tried to examine if narrative social disclosures in the annual report actually impact on the behavior of how investors allocate their investment funds. The results indicated that from a sample of sophisticated users (accountants and investment analysts) social disclosures from annual reports did not elicit any more than a 15% switch in investment funds. Furthermore, the switch in funds was not always in favor of the company providing the CSR disclosures.

Henry J. Aaron (2002) has written that Corporate Social Responsibility provides a comprehensive overview of experiences and practices at the local level. It illustrates that partnerships provide a powerful mechanism for helping firms become more socially responsible.

Arora and Puranik (2004) reviewed contemporary CSR trends in India concluding that the corporate sector in India. He concluded that the corporate sector in India has benefitted immensely from liberation and privatization process, its transition from philanthropic mindsets to CSR has been lagging behind its impressive financial growth.

D.Y. Chacharkar and A. V. Shukla (2004) in their paper entitled "A study of Corporate Social Responsiveness" tried to highlight theoretically the benefit of CSR through "iceberg effect" diagram. The results showed that just like iceberg, except the recognition and appreciation, the larger part of CSR initiatives for the company are invisible in the form of publicity, image building, expansion of customer base and profit.

Dipankar Gupta (2005) specified that in order to make CSR sustainable, it is necessary to develop an ethical perspective in corporate manner. Corporate Social Responsibility must also be in tune with these imperatives and that is why all initiates on this score must be stakeholder oriented and driven by business interests if they are sustainable. According to him, there are three models of CSR - (1) competency driven, (2) community driven and (3) consumer driven.

Blowfield, M. (2005) found a critical approach to CSR not only requires us to ask how CSR affects company behavior in developing countries, but also to ask if, and how, business is affecting the meaning of development itself. The author argues in this article that business is indeed affecting development, and one of the ways this happens is by allowing business thinking to dominate the way we view the world and to become the norm against which everything else is tested for true and false value.

Atul Sood and Bimal Arora (2006) have stated that the overall socio-economic development experience in India under different economic governance frameworks since the 1950s has given rise to a large number of interrelated concerns, including impacts on employment and distribution of income, emergence of new forms of vulnerabilities, weakened state structures, imbalanced demographics with subnational disparities, environmental and biomass degeneration and dismal performance on several human development indicators. However, all the institutional actors, including private sector corporations, have responded to these challenges in different ways. Also, the increased focus and pressures by campaigners on corporations to not only minimize harm but also maximize benefits emanating from their operations has put many leading corporations globally in the line of fire and have had a profound influence in many countries including India.

Porter and Kramer (2006) define the 'traditional reasons' for CSR, although they argued that the real importance of CSR is in the "shared value" that businesses have with society. The basic premise of the argument is that businesses operate in societies and societies need these businesses that are, there is a mutual benefit.

R.S. Raman (2006), in a study on "Corporate Social Reporting in India-a view from the top", used content analysis technique to examine the chairman's message section in the Annual Reports of the top 50 companies in India to identify the extent and nature of social reporting. The study concluded that the Indian companies placed emphasis on product improvement and development of human resources.

Buchholtz (2006), in his study on CSR, Corporate Social and Financial Performance: an empirical study on a Japanese Company examined the relationship between corporate social performance (CSP) and corporate financial performance (CFP) through a quantitative analysis. The study was conducted on 295 companies which is one-tenth of the listed companies in Japan. The result showed a significant relationship among CSP, Equity Capital Ratio and the number of employees.

Moon and Wayne Visser (2006) The study on CSR in management research by Andy Lock-ell, Jereany tried to investigate the status of CSR research within the management literature. The study particularly examines the focus and nature of knowledge, the changing salience of this knowledge. The findings showed that the most popular issues investigated have been environmental and ethics (for CSR research published in management journals).

Samuel Odowu and Papasoplomou Loanna (2007) conducted a study on twenty companies in U.K. They promulgated that the U.K companies has now become ethical in the content of social responsibility as companies disclose its CSR with a view of public benefits, government request and issue information to stakeholders because the companies is of the view that stakeholders of twenty first century are better educated than the past.

Chaudhary and Wang (2007) found that the number of companies with disclosures on internet is noticeably low in India in top 100 Information Technology companies. Though the study did not attest the lack of CSR activities but it certainly attested lack of proactive CSR communication, simply put the companies carried out CSR activities but did not disclose them properly

Chahoud (2007) pointed out that in Indian companies the corporate social responsibility is still in a confused state. The researcher also asserted that concept of corporate social responsibility in India has slowly matured from philanthropy to sustainability business strategy and from self regulation to multi stakeholder concept. Important finding of this research report was that the companies carry out corporate social activities have a business case.

Hossain and Reaz (2007) investigated the extent of voluntary disclosures by 38 listed banking companies in India. The empirical research concluded that the size and assets were the significant factors influencing disclosure whereas age, diversification, board composition and multiple exchange listing and complexity of business are not significant variables influencing social reporting practices of Indian banking companies.

Murthy (2008) examined the corporate social disclosure practices of the top 16 software firms in India. The 2003–2004 annual reports were analyzed using content analysis and it was found that the human resources was the most frequently reported followed by community development activities and the environmental activities was the least reported. Most of the information was qualitative and was disclosed in the „other" sections of the annual report. Some firms had separate sections for each category while many others disclosed their social practices in the introductory pages of the annual report. The researcher suggested that shortage of skilled labor in the software sector might have lead to social disclosure (CSD) practices in the human resources. Firms seemed to have engaged in community development activities without expecting changes to their economic performance and the CSD of community activities seemed to be shaped by the expectations of the society.

Jatana and Crowther (2008) edited book named "Corporate social responsibility – theory and practice with case studies" has said light on myths of Corporate social responsibility, value addition, Globalization perspectives on corporate governance whistle blowing policies as corporate social responsibility and other contemporary issues in corporate social responsibility. In addition, it dealt with various case studies related to various industrial sectors insurance, private banking, SMEs, Information Technology, power generation sectors and companies like Abuja cements, Coca-Cola. In all these articles details of current projects pursed by companies has given but the CSRD has not been measured as such.

Ramya Sathish (2008) defined Corporate Social Responsibility as "the ethical behavior of a company towards the society" to manifest itself in the form of such noble programs initiated by for profit organizations. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their business it is also vital to build trustworthy and sustainable relationships with the community at large.

V.V.S.K. Prasad's (2009) study deals with the nature and extent of CSR initiatives under taken by Indian companies and to study its relevance in business. Even much before the issue became a global concern, India was aware of CSR, due to the efforts of organizations such as the Tata Group (Around 66 per cent of Tata Sons, the holding group of the Tata Group, is today owned by a trust). Corporate companies like ITC have made farmer development a vital part of its business strategy and made major efforts to improve the livelihood standards of rural communities.

Suresh Kumar Pramar (2009) explained how the current global financial crisis has impacted Corporate Social Responsibility in India adversely. Business house, trying to restructure their resources, have run the red line through CSR budgets. CSR managers claim that managements have issued instructions to put on hold all new CSR projects. Budgets for many ongoing projects have also been curtailed. The global financial crisis has helped strengthen the belief that CSR, for most Indian business houses, was not a very serious issue.

Vasanthi Srinivasan (2010) in his study on CSR and Ethics in Medium, Small and Micro Enterprise in India attempts to draw from the existing body of knowledge from both the academic and popular literature in India to identify the CSR practices and develop a research agenda for responsible business practices in the small-medium enterprise in India. The study also revealed that since small-medium enterprises contribute significantly to the economy and are geographically spread in a country like India, adoption of CSR and ethical practices is crucial to a balanced development. There is a rarity of academic research in this area and therefore the researcher opines that a study of the intra-country similarities and differences in adoption of CSR practices in small-medium enterprises could be a valuable exercise for policy makers.

Shashank Shah and Sudhir Bhaskar (2010) made a case study of Bharat Petroleum Corporation Ltd. (an Indian Public Sector Organization). They found that there is a broad relationship between the organization and the society. The organization used the resources of the society like human, material etc and in reverse they provide services to the society. The study also revealed that BPCL has taken a lot of initiatives in order to serve the society.

Debabrata Chatterjee (2010) in his research paper entitled “Corporate Governance and CSR: The case of three Indian companies” tried to analyse the corporate governance practices of three prominent Indian firms viz; ITC Ltd., Infosys Technologies Ltd., and Reliance Industries Ltd. The study was made taking four parameters i.e., Approach to Corporate Governance, Governance Structure and Practices, Board Committees and CSR activities. The study found that though the

Corporate Governance practices are exemplary, there exist differences in the way the firms adopt these practices. Infosys seems to be doing much better than the other two.

Plankenet (2010) investigated CSR platforms and the communication surrounding those platforms in India and established that the CSR platforms are typically used, together with stakeholder attitudes to both the form and content of those platforms. The authors presented the fact that the selected Indian corporations pursued a primarily philanthropic platform with a focus on community development projects, as predicted by previous studies. It also indicated, however, that Indian consumers may not value philanthropic CSR as highly as other CSR initiatives.

C. B. Bhattacharya, Sankar Sen and Dr. Daniel Korschun (2011) wrote that the corporate social and environmental responsibility movement, known more generally as Corporate Responsibility (CR), shows little sign of waning. Almost all large corporations now run some form of corporate responsibility program. Despite this widespread belief that CR can simultaneously improve societal welfare and corporate performance, most companies are largely in the dark when it comes to understanding how their stakeholders think and feel about these programs. They argue that all companies must understand how and why stakeholders react to such information about companies and their actions. It examines the two most important stakeholder groups to companies - consumers and employees - to comprehend why, when and how they react to CR. Armed with this insight, it shows how companies can maximize the value of their CR initiatives by fostering strong stakeholder relationships to develop, implement and evaluate compelling social responsibility programs that generate value for both the company and its stakeholders.

Prasenjit Maiti (2011) on his paper entitled “It is Politics or Profits or even Compassion? Unraveling the Motivation for Corporate Citizenship” tried to analyse theoretically the motives of corporate before their CSR initiatives. The study found that CSR is related to profits, power plays, politico-legal equation, situation of market flux, responsible images, humane concerns and other ethical dynamics.

Monika Hartman (2011) in her article "CSR in the food sector" analyzed the importance of CSR in food sector particularly those companies which have high brand. The study found that SME's are less capable of discharging their obligation towards society. Further the study revealed that food sector always tries to improve the controlling and discharging its services towards consumers. It was also found that consumers show preference for those brands or food sector that give importance to CSR activities.

Mallen Baker (2012) in his article on "Four emerging trends in Corporate Responsibility" tried to elucidate three basic things about the trends of CSR that have changed from last so many years. Firstly, the relationship between business and society has changed. They have come closer because of the social and environmental problem prevailing around the world. Secondly, the strategy of the businessman to develop business also affected the society a lot. Their new ideas, concept, developments also came with CSR management that reflects in their product and services. Lastly, the changes of CSR are also affected by other parties like outside agencies and the firm's own goals that interfere the firm's activity.

Bibhu Prasad and Mohanty (2012) made a study on "Sustainable Development Vis-à-vis Actual CSR". The findings showed that companies today invests in a lot of areas like child labour, ground water, food, education, etc but they are not aware of the essential need of the poor. The study suggested that though profit earning is a natural fact of companies, CSR is beyond the natural and statutory obligation of the companies. The study concluded that sustainable development is the development of the society as well as the company in a balanced way.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled "Emerging trends of CSR in India" ana-lysed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing, FMCG, Oil & Gas, Cipla etc. The study concluded that the companies today are working not only to earn profit but have also realized the importance of being social friendly. Social Responsibility today has started taking a turn in the new direction.

Harish Kumar (2012) in his research article entitled "CSR Revisited" has thrown lights on four different approaches of companies towards CSR viz; Good Governance, Ruinous CSR, Discretionary CSR, and Illusion CSR. He also tried to highlight argument against the CSR as well as the CSR driver. The researcher also found eight factors that drive the CSR initiatives. They are (1) Philanthropic Attitude, (2) Governmental Actions, (3) Environmental Concern, (4) Ethical Consumerism, (5) Crises and Calamities, (6) Globalization and Market force, (7) Social Awareness & Education, (8) Social Expectation.

Dr. M. Ramana Kumar (2013) in his study on CSR (Analysis of select Indian Private and Public sector companies) tried to analyse the CSR activities carried out by Indian Private (Reliance Industries Ltd.) and public sector companies (ONGC) and also study the Indian government policies and programmes of CSR. The study revealed that though the Indian public and private firms are making efforts in the CSR areas, still there is a requirement of more emphasis on CSR. The study found that there is a significant difference in the CSR practices of RIL and ONGC as the CSR budget of ONGC is more than RIL during the year 2009-10, 2010-11, and 2011-12 and average CSR score of ONGC is more than that of RIL during 2009 to 2013. The study on "Rural Development and Corporate involvement" by V.Raghuraman argues about CSR of Business, inevitably, has impacts on communities, societies and natural environments in which it exists, separately from the market driven transactions that are itsmain focus. World class business now accepts its responsibility both to mitigate the impacts where they are negative and pro-actively turn them, in to business and social advantages where possible. Studies conducted on the correlation between CSR and financial performance have shown divergent results. Roman, Hayibor review 55 articles concerning the relationship between corporate social performance and corporate financial performance, among which, 51 papers are found in the research done by Griffin and Mahon , and four articles are newly added. They find that 33 studies indicate a positive relationship between CSP and CFP, 5 studies show a negative relationship, and 14 studies demonstrate no relationship. With regard to studies after 1999,Simpson and Kohers attest to the positive relationship between CSR and financial performance through empirical study. The research conducted by Jo and Harjoto further supports this result. However, according to McWilliams and Siegel, CSR exerts a neutral influence on financial 12 performance after controlling investment in R&D as another determinant for financial performance. A number of domestic studies investigate the relationship between CSR and financial performance by taking into consideration of time. Wen and Fang carry out an in-depth analysis on the 5-year data of 46 Chinese firms and prove that CSR has a negative impact on financial performance in the short run, and exerts a positive effect on financial performance in the long run. Zhang, Jin examine the data of non-financial companies listed in Shanghai Stock Exchange from 2007 to 2011 and demonstrate that the fulfillment of CSR over previous years has a positive influence on financial performance at present.

An increasing number of studies have been devoted to exploring the relationship between CSR and consumer response. The research carried out by Murray and Vogel shows that consumers are more willing to purchase products from a firm after they learn about the firm's involvement in social activities.Brown and Dacin study two types of corporate associations, one is corporate ability associations and the other one is CSR associations. They point out that different corporate associations reflect different strategic positioning, and a growing number of firms begin to focus their attention on strategies that can display CSR, such as the efforts made by a firm to protect environment, enhance employee diversity, engage in community service and sponsor cultural activities. The results from their research show that CSR associations can indirectly affect consumers' evaluation of products offered by a firm through their assessment of the firm. Following this study, an empirical test presented in the work of Sen and Bhattacharya indicates that the association between CSR and consumers' responses is moderated by consumers' personal support of CSR. They also mention that under certain circumstances, a firm's social activities may undermine consumer purchase intention. Mohr, Webb conduct 48 in-depth interviews with consumers in a metropolis. They find that some consumers behave in a socially responsible way, because they are of the view that their purchase decisions not only influence their families and themselves, but also affect the environment. Therefore, these socially responsible consumers take into account a firm's social activities when making purchase decisions. A number of studies also indicate that consumers could appreciate and reward corporations that have made donations to charities, they hope that corporations can operate in a ethical way in which environment can be protected and sometimes their purchase decisions are based on these factors .

The study of literature on CSR paints an ambiguous and even contradictory picture in India as well as at global level. Though some studies can be found in India, but the work is certainly scanty relative to research work at global level. Overall, it has been concluded by most of the studies pointed out that the CSR disclosures are low, do not present social information in a consistent manner and social audit reporting in formalized accounting pattern are not being followed.

2.3. LOCAL STUDIES ON CSR

Mona A. Nargolwala (2006) A Study on Impact Assessment of Corporate Social Responsibility with respect to Community Development Programmes of Industries of Gujarat, Faculty of Social work, The M. S. University of Baroda With reference to the focus of CSR in the company it is founded that the majority 34.18% (40) respondents have focus on environmental aspect, 29.05% (34) have focus on social aspect and 36.75% (43) respondent have focus on both social and environmental aspect revealing company contribution in addressing the environment & social issue to positively impact the surrounding environment. It can be concluded that companies focus is both in environmental and social aspect however the environment focus is little higher.

Company's contribution to community and social development programme; It is found that 58% (56.31) companies contribute to community and social development programme 38% (36.89) companies contribute to a small extent and utmost 21% (20.39) does not contribute to community and social development, Company's beliefs and CSR Programmes; It is found that majority of the industries through its CSR programme believe in enhancing the quality of life with 40 % (34.19) and providing primary and basic infrastructure facilities with 38% (32.48) respondents giving rank one, followed by challenging barriers and case of needy and senior citizen with 22% (18.80) and community capacity building with 20% (17.95) giving rank one. A mix response was observed with responses in rank two, three and four for various reasons. It can be concluded that the basic belief through CSR Programmes at companies is to enhance quality of life and improvement in basic infrastructure.

Shailaja Raijada (2008) Corporate Social responsibilities selected MNC in Gujarat, Faculty of Social work, The M. S. University of Baroda The findings of the 105 respondent's perception indicates that MNCs to indulge in to dialogue with various stake holders as out of total 105 respondents majority of respondents that is 72% (68.58) perceived that their companies hold regular meetings with various groups of stake holders, 69% (65.72) perceived their companies working in collaboration with government and NGOs 72% (68.58) of respondents perceived that most of the CSR strategies get articulated at management level only. From total 105 (100%) respondents 61% (68.10) perceived their companies manage CSR as an investment while 11 % (10.47) perceived that company manages CSR as a cost. Among various CSR drivers for their respective companies a deep sense of social responsibility is perceived as the most important drivers by 60% (57.14) respondents. Pressure from the stake holders is list perceived CSR drivers by 8% (7.6) respondents.

Dr. Geeta Nema, Dr. Sujata Parwani (2009) "Investigate the problems and study the Perception of NGO's towards CSR*"* From the findings of the study, it may be concluded that though most of the NGOs have their time of existence in the interval of 3 to 5 years still the awareness about the CSR is relatively low. NGOs in Indore can access many companies and utilize the assistance that can be provided by CSR policies of various companies. Many projects are long term in nature but sources of funds are often short term in nature. So there is a long term horizon for expenditure but a short term horizon for income, this is problematic and a source of difficulty in planning for many of these organizations. Many of this NGO organization engage in fund raising, This itself causes complications for the accounting of such organizations and can affect its operational procedures.

Money can be given to one of these organizations either for its general activities or for a specific purpose. For example the larger charities frequently have appeals for a specific disaster relief operation. When money is given for a specific purpose then it can only be used for that purpose. Thus these organizations tend to have a number of funds for specific purposes. The main aim of this study is to understand how the companies at present times have been maintaining their own social responsibility towards the society at large. The study will also examine many significant accounts in order to understand company's responsibility towards the upliftment of the weaker sections of the society by giving them different beneficial programs and initiatives.

These initiatives may include education, medical health care, community and rural welfare, self-employment, better environment etc. Different companies of Public sector, Private sector and MNCs of Vadodara region have been practicing their several CSR initiatives/activities for the betterment of their surrounding areas in particular and for building and strengthening the society at large in general. The main focus of the study is on social norms, ethical values, education, healthcare and environment with respect to Corporate Social Responsibility. The study also focuses on how these CSR activities work for sustainable development which includes the stakeholders. In order to have intense understanding of the role of Corporates towards the Corporate Social Responsibility initiatives and its link to social concern of beneficiaries, fieldwork methodology has been used. Fieldwork methodology is the guiding idiom of this study.

The research study includes both qualitative and quantitative methods of collecting data which would mean, applying them wherever they are appropriate for the purpose of the study. Direct and indirect observation, interviews, interview schedules, case studies are some of the techniques which are used to collect the data. Several theoretical frameworks have been used to examine Corporate Social Responsibility. Due to limitations of all other theories, for the present study the researcher has used stakeholder theory to analyze the data.

Stakeholder is an entity that can be affected by the results of that in which they are said to be stakeholders, i.e. in which they have a stake. The stakeholder concept was first used in 1963 internal memorandum at the Stanford Research Institute. It defined stakeholders as "those groups without whose support the organization would cease to exist". The theory was later developed and championed by R. Edward Freeman in the 1980s. The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. In short, it attempts to address the "Principle of Who or What Really Counts"

2.4. CONCLUSION

In nutshell it can be concluded that all the studies have been covered various aspects of CSR from different perspectives. Some are based on definitions and some based on theories and models of evaluate the measuring of CSR contributed by the organizations to the society. Though several studies have been conducted, still there is a scope for further research. Different studies have revealed the corporate experiences at various places. The comparative analysis of selected companies deserves a special attention on the environmental aspects of the companies need a further study. The sustainability of the business and CSR also need a focus for further research.