



Corporate Social Responsibility Practices in India- An Overview

Sakshi Bhawnani*

*Assistant Professor, Department of Commerce, KCC Institute of Legal and Higher Education, Greater Noida

Abstract

Business organizations have several stakeholders towards whom they must act responsibly. One common stakeholder for every business, large or small, is the society in which it operates. Every enterprise is expected to act in accordance with the norms of social welfare and grow with a sustainable approach. Today, with the world facing a global pandemic, business organizations are more responsible than ever to act and generate revenues in alignment with the society's interests. This study aims to understand the history and development of corporate social responsibility practices over the years. It also aims to identify and examine the current situation of CSR in Indian Companies by focusing on eight purposely selected companies. The study uses descriptive research design and analyses some of the most innovative and inspiring CSR initiatives recently undertaken by the selected Indian companies.

Keywords: Socially Responsible Engagement; Sustainable Development; Corporate Governance

Introduction

Corporate Social Responsibility is a self-regulating business model which ensures that a company is socially accountable. It refers to a framework of policies and practices governed by the principle of corporate governance and sustainable growth. "The advocates of the modern concept uphold that business must think beyond the shareholders' value and must not ignore its ethical and moral responsibilities. Shareholders are not the only participants of the business operations. Therefore, business must not confine its allegiance towards the shareholders only, but also should be responsible towards the stakeholders at large" (Sharma T. , 2016). A business organization is a part of the society in which it operates. It is therefore the social and ethical obligation on the business organizations to act in accordance with the society's interests. "- Social responsibility means a doctrine that claims that an entity whether it is government, Private Corporation or public organization has a responsibility to society. CSR is a concept that reduces costs and risks, increases the brand value and reputation, effectiveness and the efficiency of employees, improves transparency, and clarity in the working environment of the business house" (Gautam & Singh, 2010). The ideology of CSR believes that all the associated parties are stakeholders for a business organization. Employees, Customers, Suppliers, Government, Competitors and all other related entities hold a stake in the functioning and performance of the business. CSR promotes the idea of

corporate houses extending their support in the normal course of activities. However, today the entire world is facing a crisis with the outbreak of COVID-19 pandemic. It has therefore become most crucial at this point that the relevance of CSR is reestablished and CSR policies undertaken by corporate houses to adapt to the current scenario are carefully examined. This paper highlights some of the emerging CSR trends that are being practiced to cope up with the current situation of crisis.

Objectives

1. To discuss the development of the concept of CSR over the years in Indian companies
2. To understand and examine the current scenario of CSR practices in Indian companies

Research Methodology

Keeping in view the objectives of the study, descriptive research design has been employed. Eight Indian Companies were purposely selected for the purpose of this study. The first criterion for selection was an Indian Company that has been established for a period of more than ten years. The second criterion of selection was an Indian company that earned annual turnover of more than Rs 1000 crores during the FY 2020-2021. From the population of Indian companies that fulfilled both these criteria, eight companies were selected for the purpose of this study. The data for the purpose of this study has been collected from secondary sources such as news articles, authorized official websites, selected company's annual reports and journals. All the sources used have been enumerated and recorded.

Review of literature

In order to identify and analyze the present structure of CSR in India, it is imperative to first understand the meaning of CSR. It should be noted that numerous definitions on the concept of CSR have been written and proposed over the years. Formal discussions on CSR and its role began in early 1930s. The European Committee defines CSR as "The responsibility of enterprises for their impact on society." The enterprises are responsible towards the society in which they operate. According to (Carroll, 1994), "A conscientious business should embrace economic, legal, ethical and philanthropic responsibilities."

The concept of CSR was established to promote the objective of social welfare. But with increasing competition and companies being in a race to win over the others, CSR is being used as an instrument to win over the competitors. There have been, thus several viewpoints regarding CSR, some being in favor of CSR while some opposing it. A viewpoint shared by (Sharma, 2011) says, "at business cannot neglect the long-term social costs of business and profits." This viewpoint further states that the justification of business is that it benefits society (Shaw & Barry, 1992). Some other point of views criticizes the concept of CSR. "Business should only take care of its business" (Friedman, 1960). Some also criticize CSR because of its use by companies as a tool to improve their public image. "CSR initiatives are especially likely to be used by firms that have built their reputation around being a virtuous company" (Sharma, 2011). However, the importance of CSR in the growth of enterprises has

been evident through numerous instances. It is hence believed that “Good ethics is good business in the long run” (Cohen, 1999).

After the introduction of globalization and liberalization policies in India, the role of CSR has increased. According to (Gautam & Singh, 2010), “The last decade of the twentieth century witnessed a swing away from charity and traditional philanthropy towards more direct engagement of business in mainstream development and concern for disadvantaged groups in the society.”

This has been driven “both internally by corporate will and externally by increased governmental and public expectations” (Mohan, 2001). In the present scenario, the importance of corporate citizenship is extremely crucial for companies to follow. “There is now also heightened demand for better corporate citizenship and greater transparency in many developing countries” (Chaudhri & Wang, 2007). India as a developing economy, is also moving towards a CSR driven approach. “A survey conducted by McKinsey and Company found that Indian executives were the most enthusiastic proponents for a wider social role for business, with 90% reportedly endorsing the public good dimension” (Chaudhri & Wang, 2007). Today, shareholders are not considered the only stakeholders in a company. “The advocates of the modern concept uphold that business must think beyond the shareholders’ value and must not ignore its ethical and moral responsibilities” (Sharma T. , 2016). “CSR in India has been dominated by a philanthropic approach consistent with the long-standing tradition of close business involvement in social development needs” (Chaudhri & Wang, 2007).

In the above literature, various views on the concept of CSR have been elaborately discussed. However, with the world witnessing a global pandemic and the society needing its businessmen to act as philanthropists more than ever, it is important to study the latest trends and actions that have been practiced under the CSR policy by various Indian companies. This study aims to identify such ongoing trends.

Development of CSR over the years

The term Corporate Social Responsibility was first coined in 1953 by American economist Howard Bowen in his publication titled “Social Responsibility of the Businessman”. He is often referred to as the father of CSR. The stories of social welfare and charitable practices by corporate houses are centuries old. From religious scriptures to age old texts, the idea of helping the society has always been promoted. Evidence of philanthropic activities undertaken by corporates around the world can be traced back to the time of Industrial Revolution. “It is beneficial to begin with some of the activities and practices originating in the industrial revolution as a useful starting point” (Carroll, 2008).

During the mid-1800s, the concerns regarding workers’ well being started to rise. Economists, experts, political leaders and trade unions, all started voicing out their opinions to improve the working conditions for laborers. Factory system was dramatically being criticized because of its harsh working conditions that were adversely affecting the health of the workers, especially that of women and children. “. Reformers perceived the factory system to be the source of numerous social problems, including labor unrest, poverty, slums, and child and female labor” (Carroll, 2008).

“The modern concept of CSR can be more clearly traced to the mid-to-late 1800s, with industrialists like John H. Patterson of National Cash Register seeding the industrial welfare movement and philanthropists like John D. Rockefeller setting a charitable precedent that we see echoed more than a hundred years later with the likes of Bill Gates” (Carroll, 2008). The donations made by industrialists like John H. Patterson and John D. Rockefeller urged a sensational movement of philanthropic activities being undertaken by industrialists. “Welfare schemes emanating from this movement sought to prevent labor problems and improve performance by taking actions which could be interpreted as both business and social” (Carroll, 2008). Businessmen started sponsoring building of lunch rooms, public health care facilities, recreational facilities and other similar activities.

In India, the tradition of charity or *daan* has been promoted since ages. Texts from the Vedic period, mythological texts, epics like Ramayana and Mahabharata, all highlight and encourage the importance of philanthropic practices. During the days of struggle for independence, India witnessed a more focused approach on CSR by businessmen. Industrialists started helping in the movements for freedom struggle by sponsoring various events, rallies and more. “The beginning of the independence movement led to the rise of nationalism by calling Mahatma Gandhi as the **turning point** of the benefactor.” (Hole, Pawar-Hole, & Bendale, 2019). Mahatma Gandhi, one of the most prominent freedom fighters was said to be associated and supported by many philanthropic industrialists during the struggle for freedom.

In fact, “Infosys is one of the first integrated corporate governance companies. In fact, Infosys is a company that sets the standard for corporate governance and social responsibility in the outside world, not just in India but with other companies around the world” (Mishra & Banerjee, 2019). “Business houses not only created large size manufacturing facilities generating huge revenues and profits for them but also got engaged with many initiatives like education, health, community work etc. These business houses even played a key role in the freedom struggle of India” (Dixit & Dixit, 2018).

With the growth of Indian Economy and advent of liberalizing policies, the gap between rich and poor started to expand. Policies and regulations were framed by the government to address the emerging issue of rising economic disparity. This further led the corporate houses to take efforts and work towards a more sustainable development approach.

Emerging trends in CSR amid the pandemic

The importance of CSR has always been irrefutable. The idea of corporate houses not only being responsible for the actions but also taking additional efforts to contribute towards the society’s welfare has always been encouraged and promoted. However, today, when not only a few sections of the society but probably each individual is facing some kind of a crisis- financial or non-financial, the importance of CSR is at its peak. The responsibility of corporate houses has escalated since they might have abundance of the necessary resources, which the society is currently in deprivation of.

In such a scenario, following are the recent CSR activities and trends adopted by the selected eight companies, all of which are huge corporate giants in their respective domains.

A Brief about the selected companies

SNo.	Name	Nature	Key Products
1.	Tata Motors Limited	Multinational Automotive	Passenger Vehicles; Commercial Vehicles; Electric Vehicles
2.	Infosys Limited	Multinational IT	Consulting; Cloud based enterprise information; Digital Marketing
3.	Wipro Limited	Multinational Corporation	IT Services expertise; Game Engineering; Product Engineering
4.	Hindustan Unilever Limited	Consumer goods company	FMCG like foods; beverages; personal care products
5.	Apollo Tyres Limited	Multinational Tyre Manufacturer	Specialized tyres for designed for different vehicles
6.	Tata Consultancy Services	Multinational IT Services Company	Application development and maintenance; Asset leverage solutions; Cloud Infrastructure
7.	Adani Enterprises	Multinational Conglomerate	Port Management; Electric Power Generation; Mining; Airport operations
8.	Tata Chemicals Limited	Global Company	Chemicals for crop protection; specialized chemicals

Table 1.0

- **Tata Motors-** The company has focused on the development of local and rural areas. Company's CSR policy for the FY 2020-2021 focused on "Health, Education, Employability and Environment Interventions." The philosophy followed by Tata Motors is "More from less from more, which implies striving to achieve greater impacts, outcomes and outputs from our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives" (Motors, 2021). There were essentially five CSR programs and projects that were covered in FY 2020-2021. They are explained in table 1.1.

SNo.	CSR Program	Areas focused on
1.	Employability/ <i>Kaushalya</i>	Training in the field of technical and automotive trades Training in Agriculture trades Training in Non-Automotive trades
2.	Education/ <i>Vidyadhanam</i>	Scholarships for secondary education Fellowships Competitive coaching classes for secondary education and competitive exams like NEET School fee subsidy
3.	Health/ <i>Aarogya</i>	Combating Infant and Child Malnutrition Health awareness program for women Preventive and curative health services
4.	Environment/ <i>Vasundhara</i>	Tree Plantation Creating Environmental Awareness & Adoption of Environmentally friendly practices
5.	Others	Contribute to Tata Relief Committee for Disaster Response and COVID-19 relief efforts Contribution to Prime Ministers National Relief Fund

Table 1.1

Source: Tata Motors 76th integrated annual report 2020-2021

- **Infosys Limited-** Infosys is one of the early adopters of CSR activities and philanthropic practices in India. The company works on projects related to preservation of national heritage, promotion of Indian art and culture and restoration of sites having historical significance. It also works towards the promotion of education, enhancement of vocational skills, providing healthcare facilities and promoting rural development. The company supported COVID-19 relief measures by building a COVID-19 hospital and a special ward in another hospital. The company has also launched “Infosys Headstart” a “platform that includes learning content developed by Infosys and leading content providers, spanning across digital and emerging technologies and life skills. The platform was soft-launched for volunteered institutions in February 2021. Within six weeks, 40,000+ learners from 150+ educational institutions had leveraged the platform” (Infosys, 2021). Infosys foundation also announced a relief package of Rs.100 crores for the pandemic relief in March 2020, which included setting up a COVID-19 specialty hospital, provision of PPE kits, sanitizers and other medical equipments.
- **Wipro Limited-** The company performs its major CSR activities through Wipro Foundation. The company focused on working in areas of climate change, water and energy preservation, diversity and inclusion at workplace and well-being of all employees. The company announced its goal of becoming a “Net Zero Company” by 2040, which aims at making Wipro an organization that does not emit any greenhouse gas. In the light of problems arising out of the pandemic, Wipro has been engaged in efforts to develop an excellent healthcare infrastructure. The company” ensured that a significant part of their support is towards strengthening and augmenting the capacity of the public health system in India, especially in some of the most underserved areas” (Wipro, 2021). The company made arrangements at its canteen facilities in Bengaluru, Pune and Kolkata to deliver around 3 million cooked meals to distressed communities. They also converted their campus in Pune into a full-fledged 450 beds COVID hospital.
- **Hindustan Unilever Limited-** The company, through Unilever Sustainable Plan, worked towards a more environment friendly approach of working. Over 2 crore soaps, sanitizers, disinfectants and products of similar nature were provided to frontline medical professionals, police officials, migrant population and immune compromised population. HUL also initiated “#VirusKiKadiTodo (Break the Chain) campaign in association with UNICEF. The campaign reached over 600 million people across India, including small towns and rural areas through television and digital platforms. With a recall of 72%, #VirusKiKadiTodo was a behavior change campaign in 8 different languages to drive home the simple, positive yet powerful messages of social distancing, generosity, and hand hygiene” (Unilever, 2021). Partnered with various medical institutions, the company distributed more than seventy thousand testing kits. The company also worked towards creating medically equipped isolation facilities at various locations.

- **Apollo Tyres Limited-** One of the most unique strategies followed by Apollo Tyres under their CSR policy is their utter focus on supply chain management. The company runs a CSR program that works towards the healthcare of their raw material suppliers. The program creates awareness on HIV/AIDS, preservation and ill effects of substance abuse. “The Company has also introduced a policy to reimburse COVID-19 vaccination cost for the business partners and their families” (Tyres, 2021). Besides this, the company is also engaged in programs such as Tuberculosis Awareness and Prevention, Vision care services, oral hygiene services and more. The company works towards waste management and sanitization through various campaigns such as SPARSH. “At the outbreak of COVID, the Company introduced a helpline, voluntary top up for parents’ mediclaim and *Corona Kvach* policy, work from home ergonomics and Sanjeevani Programme to take care of employee health and wellness” (Tyres, 2021).
- **Tata Consultancy Services-** TCS has continued to empower communities all over the world through their different CSR programs for years. They focus on areas of education, healthcare, skilling and entrepreneurship. It has also invested in hygiene, sanitization and disaster relief campaigns. TCS Adult literacy program, an initiative designed to work towards the education of adults who could not receive education. “TCS’s Digital Nerve Centre is a unique and innovative care delivery model designed to connect, communicate, coordinate and deliver care by leveraging people, infrastructure and a robust digital platform” (TCS, 2021). They also lent support to migrant population in Uttar Pradesh and Karnataka during the pandemic. They made contribution to the PM Care Fund with the objective to support vulnerable population. TCS also facilitated the adoption of new education system to virtual and remote learning mode by providing technical support. More than 1 lakh PPE kits to police and frontline workers were also provided. 2.5 million meals were distributed to 250000 doctors and medical professionals. They also aided virtual medical consultation services during the outbreak of COVID 19.
- **Adani Enterprises Limited-** CSR activities by Adani Enterprises include programmes on education, health, safety, sanitization, sustainable livelihood development and infrastructural development. The company also donated funds to PM Care Fund. “The Company is not only driven by the need to make the world a better place through a seamless supply of basic and essential services but also through a widening prosperity circle” (Adani, 2021). On the education front, the company initiated “*Mohalla Classes*” to facilitate the preparation of class 10th students for their board examinations. The company also introduced a mobile medicare unit wherein medical services were provided on a vehicle, ensuring affordability, accessibility, availability and awareness. Around 35000 masks and 500 bars of soaps were distributed by the company. Campaigns were organized to create awareness about the correct technique of washing hands.

- **Tata Chemicals**- The core CSR initiatives of Tata Chemicals include programs on poverty alleviation, waste management, preservation of bio-diversity and water and land management. “The Company’s key programme is the Holistic Nutrition Programme which targets the first 1,000 days of a child. Additionally, in the neighborhood, the Company conducts regular health and nutrition camp” (Tata, 2021). The company also provides clean water through roof rainwater harvesting mechanism. 1.07 lakh litres of hand sanitizer were manufactured after the pandemic outbreak by the company. A 100-bed isolation ward in Gujarat was also built. The company supported government hospitals by providing PPE kits for frontline medical workers. Financial assistance to organizations such as Chief Minister’s Fund, District Collector Forums were also extended by the company.

Scope for Future Research

Though many areas of CSR have been explored and examined carefully by various researchers from time to time yet there are some questions that remain unanswered and deserve a closer analysis. Firstly, what role does government’s public policies play on the CSR policy of business organizations can be researched upon. The impact of all economic as well as other public policies on CSR can be a crucial area of research. Secondly, what is the level of awareness about CSR initiatives and activities among the consumers, who are the ultimate beneficiaries can be a topic of research. There are several CSR initiatives intended towards the welfare consumers but are those consumers actually aware of them? Thirdly, and in conclusion, what role does today’s social media play on CSR trends undertaken by business organizations should be studied. Social media has become the most important and impactful communication media today. How can the objectives of different CSR campaigns be achieved using social media as a tool?

Conclusion

Corporate Social Responsibility has always been a crucial part in the process of social and economic development of a nation. However, after the outbreak of the pandemic, the role of CSR has drastically enhanced and corporate houses have performed with equal enthusiasm and determination to match up with the increasing necessity of CSR today. Indian corporate houses have taken up projects over and above the determined minimum criteria by the law. Distribution of hygiene products, free meals and technology for online learning are all contributions that have truly helped as the nation faced the consequences of the pandemic. Government of India has announced several initiatives such as *Atmanirbhar Bharat* and *Sashakt Bharat*. All of these are only possible through the support and cooperation of these big business organizations. As India strives to move towards a more inclusive economic development, corporate organizations are also adapting a more sustainable approach for growth. And in times of any crisis, like the one this pandemic has brought, the relevance and importance of CSR will be reestablished.

Bibliography

- Adani, E. (2021). *Annual Report 2021*.
- Caroll, A. B. (1994). Social Issues in Management Research . *Business Society* , 33(5), 5-29.
- Carroll, A. B. (2008). A history of corporate social responsibility Concepts and Practices. In A. Crane, & D. Matten, *The Oxford Handbook of Corporate Social Responsibility* (pp. 19-46). Oxford : Oxford University Press.
- Chaudhri, V., & Wang, J. (2007). Communicating Corporate Social Responsibility on the Internet : A Case Study of the Top 100 Information Technology Companies in India. *Management Communication Quarterly*, 21(232), 232-247.
- Cohen, S. (1999). Good Ethics is Good Business-Revisited. *Business & Professional Ethics Journal*, 18(2), 57-68.
- Dixit, S., & Dixit, S. (2018). Evolution of CSR in India: Indian Roots in Emerging Context . *Journal of Advances and Scholarly Researches in Allied Education*, 14(2), 1883-1887.
- Friedman, M. (1960). *Capitalism and Freedom* . Chicago : University of Chicago Press .
- Friedman, M. (1970). A Friedman Doctrine: The Social Responsibility of Business is to increase its profits. *New York Times Magazine* , 13(32), 32,33.
- Gautam, R., & Singh, A. (2010). Corporate Social Responsibility Practices in India: A study of top 500 companies . *Global Business and Management Research* , 2(1), 41-56.
- Hole, Y., Pawar-Hole, S., & Bendale, S. (2019). Corporate Social Responsibility (CSR) In India: A Conceptual Framework . *GIS Business* , 14(6), 330-340.
- Infosys. (2021). *Annual Report 2020-2021*.
- Mishra, S., & Banerjee, G. (2019). A study on the impact of mandatory provisions on CSR strategies of Indian companies. In S. Burnaz, & I. Altinbasak-Farina, *Ethics, Social Responsibility and Sustainability in Marketing* (pp. 145-154). Singapore : Springer .
- Mohan, A. (2001). Corporate Citizenship: Perspectives from India. *Journal of Corporate Citizenship* , 12(2), 107-117.
- Motors, T. (2021). *76th integrated Annual Report 2020-2021*.
- Narwal, D. M., & Sharma, D. T. (2016). Perceptions of Corporate Social Responsibility in India: An Empirical Study. *Journal of Knowledge Globalisation*, 1(1), 1-16.
- Sharma, S. (2011). Corporate Social Responsibility in India. *Indian Journal of Industrial Relations* , 46(4), 637-649.
- Sharma, T. (2016). Perceptions of Corporate Social Responsibility in India: An Empirical Study. 1-16.
- Shaw, W., & Barry, V. (1992). *Moral issues in Business*. Belmont : Wadsworth Publishing .
- Tata, C. (2021). *Integrated Annual Report 2020-2021*.
- TCS. (2021). *Integrated annual report 2020-2021*.
- Tyres, A. (2021). *Annual Report 2020-2021*.
- Unilever, H. (2021). *Integrated annual report 2020-2021*.
- Wipro. (2021). *Integrated annual report 2020-2021*.