CORPORATE SOCIAL RESPONSIBILITY: REVIEW OF LITERATURE

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ABSTRACT
We are living in a world surrounded with numerous problems related to environment and society. CSR (Corporate Social Responsibility) is a means to sort out these problems to some extent because business is a part of society. Earning more and more profits is a natural phenomenon of every business unit but social responsibility is an obligation to the people living inside and outside the business organizations. Business comes in contact with various groups of society such as owners, employees, customers, government, suppliers etc. The responsibility of business, which includes satisfaction of these parties along with the owner, is called social responsibility of business. According to Steiner “Social Responsibility implies recognition and understanding of the aspirations of society and determination to contribute towards their achievements”. In spite of its current popularity, there are several issues which remained pending and corporate need to be aware about them. Today, the society as a whole and media increasingly request companies to consider social and environmental problems while doing business activities. CSR has become one of the catchphrases of new millennium across the world and the corporate as well as government must take care of it. Today, Government has also come as an initiative to control those business activities which makes a harmful effect on the society. The government suggested time to time to the business units that the corporate should enact a framework related to CSR i.e its areas, investment, activities etc. and include them in the vision, mission and strategic planning. CSR typically includes issues related to business ethics, community engagement, global warming, water management, manage the use of natural resources, human rights etc. So, in order to get sustainable development and to survive in this competitive world, the organizations need to demonstrate a close and good relationship with society.

Why is the literature reviewed?
Researcher begins research by reading. It is important for the researcher to be familiar with both previous theory and researches published so far in the field of investigation or study. So, in order to assure its familiarity, the researchers have to build upon the accumulated and recorded knowledge of the past. Every research projects requires the review of concerned literature for the purpose of determining the smooth contours for determining the right direction for doing the research. The term ‘Review of Literature’ made up of two words i.e. Review and Literature. In research methodology, the word review means to synthesis the available knowledge of the specific area of the research to evolve a structure of facts. The term literature refers to the knowledge about the concepts, definition, and theories used in a particular area of investigation. With the help of review of literature a researcher comes to know about the evidence available to solve his/her problem. Not only this, but also the research problem can also be formulated by
review the familiar literature by the researcher. Review also helps in formulating research hypothesis, sources of data, appropriate statistical techniques to solve the problem. Researcher should find out what is necessary and helpful for doing a research project on the chosen issue or research question. Further, the review provides a well-knit fabric of gaps, tentative objectives, hypothesis, analysis, synthesis and interpretations. For scholars, the depth and breadth of the literature review emphasizes the credibility of the writer in his/her field. For the professionals they are useful reports that keep them up to date with their field of study. Review further; interpret the results by taking the supportive and non-supportive consistence from the previous studies. It means the review of literature is a prescribed tool for delineating the results in the form of what is, what will happen if the resulted position stays, what should be (suggestions). If any result has not been assisted by any contradictory or aligned results of the previous research, then those findings/results is maiden. In short, with the help of review of literature, a researcher can identify, appropriate methodology, research design, methods of measuring concepts, techniques of analysis and carried out numerous field observations to illuminate the darkness of its field.

**Review of Literature**

The pace of increase in knowledge moves towards rapid changes. It grows more and more than the passage of time. Therefore, a researcher has to be conscious about the changes and developments in the field of his/her study. For this purpose, the researcher has to survey the available literature like novels, reports, researches, books, articles, newspapers and journals in order to add knowledge in its study. Over the past decades, the concept of CSR has become an important concept in the study of researchers, scholars and industrialists etc. So, the present researchers have made an effort with this review paper for those researchers, analysts and industrialists who are connected with CSR (whether social responsibility, social accounting, social reporting or any other area related to CSR).

Windsor (2001), article examined the future of Corporate Social Responsibility or the relationship between business and society in long run. The researcher tried to find out that whether the organization and society will come closer to each other in future or not and what will be the changing phase of CSR. With the help of history or past trend of CSR, Caroll’s model analysis and in global context, the researcher found three emerging alternatives of CSR i.e. conception of responsibility, global corporate citizenship, stakeholder management practices.

Nigel Sarbutts (2003), the paper explored the way of doing CSR by small and medium sized companies. The research depicted that a structured approach to managing corporate reputation and profit maximization of SME’s through CSR. The societal activities of small and medium sized companies is based on their cost is Benefit Analysis. Small Corporation always struggle for more reputation and minimization of risk. In such a situation, CSR comes as hope for these companies. Large companies have so many resources for implementing CSR activities but SME’s have less resources. It can be a barrier for them to stay in the market. So, in that situation by imparting much information, proper utilization of resources, doing well for businesses, SME’s can minimize their risk and manage CSR.

A speech delivered by Mr. Fredrick Ma, secretary for financial services, based on Corporate Social Responsibility (2004) organized by the British consulate. The speaker explored the concept of CSR on the basis of survey of 1500 business leader attending the world economic forum in bevos. In which 5% leaders said that CSR is important for the success of business, while 24% said CSR is not important but the shareholder’s interest is most important for the
businesses. But for the speaker, CSR and corporate governance are complementary to each other. Corporate governance is a medium of driving CSR among corporate. Further the speaker also talked about the role of government in CSR, SME’s as well as for unlisted companies. It was also included in their views that CSR should be a part of company’s objective.

Moon (2004), paper examined the role of government in driving corporate social responsibility among the corporate. The study explained that the drivers of CSR are related with business and society. Business includes its reputation, corporation itself, employee’s relation knowledge, goals etc. further, the study cleared that government is driver of CSR by making this relationship true and fair through making through making policies and regulations. The study also embarked other’s country’s situation that how their government entered into businesses for driving CSR.

Samuel O. Idowu (2007), with their study of twenty companies in U.K., propounded 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 think that stakeholders of twenty first century are better educated them past.

Vaaland, Heide (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities.

Gond, Crane (2008), made an analysis on the distortion of corporate social performance concept. The research analyzed that the past researches and found some reason of emerging fall in the interest of corporate social performance research among the scholars. The paper also suggested models on the basis of which the researcher explained that why the CSP concept has lost its importance and development. Further, the researcher depicted some model which the researcher can used in their research related to corporate social performance. The paper argued that tensions and contradictions are the starting point to develop the CSP concept. CSP has an umbrella of activities which need to measure differently in order to move the researches from a simple concept to development.

Truscott, Bartlett, Trwniak (2009), paper “The reputation of Corporate Social Responsibility industry in Australia” in Australian marketing journal, based on case study methodology. On the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Beside this, the industrialist viewed CSR as a model of corporate reputation.

Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that company has taken a lot of initiatives in order to serve the society.

Mc William & S. Seigal (2010) provided the importance of CSR as a strategy of enhancing reputation of companies. The study indicated that firms selling convincing goods which comes under the umbrella of CSR activities, leads to consumer loyalty and increased revenue. Further the study also indicated the importance of advertising for providing information to consumers.
about the social welfare activities of the firm. Beside this the study also included the importance of media and T.V etc. in order to aware the consumers about firm’s activities and increasing as well damaging the reputation. In this way the study concluded about the reputation of firm through CSR.

Hartman (2011), article “Corporate social Responsibility in the food sector” in European review of agriculture economics journal, analyzed the importance of CSR in food sector, particularly those companies which have high brand. CSR is an important part of these companies. But SME’s are less capable in discharging their obligation towards society. Further, the research found that food sector always tries to improve the controlling and discharging its services towards consumers. Consumers also prefer those brands or food firms which give preference to CSR activities and provide good product and services.

Borogonovi, Veronica (2011), article in knowledge@ Wharton, stated that today, CSR has different meaning for different companies. Some termed CSR in the sense of social issues while other for environmental issues. But there are not any mandatory guidelines for CSR so that the problem of areas of CSR can be sort out. In addition to this, the researcher discussed about various views and plans of government and other authorized institution like union corporate minister like Mr. Murli Deora, Companies act 1956, Companies bill 2008 and 2009, Dhaval udani (CEO of non-governmental organization), FICCI etc. All these institution and persons presented their ideas and bills about CSR requirement. The paper also differentiates the term CSR from other one like Corporate Philanthropy, CSV (creating Share Value) etc. CSR has defined in such a way that how the businesses are conducting their activities in society marked at the place.

Brammer, Jacson & Matten (2012), study entitled as “Corporate Social Responsibility and institutional theory: new perspective on private governance” in Social economic review depicted that CSR is not only a voluntary action but beyond that. In this study, CSR had defined under institutional theory. The institutional theory stated that corporate social activities are not only voluntary activities but it is a part of interface between business and society. Regulation/governance are necessary for enhancing the corporate performance of businesses through CSR. The theory also suggested that in what form companies should take its social responsibilities whether historical, political or legal form.

Agunis, glovas (2012), Paper entitled “what we know and don’t know about corporate social responsibility: A review and research agenda” in Journal of management, based on 588 journal articles and 102 books. The study provided a framework of CSR actions which affects external as well as internal stakeholders and outcomes of such actions. The paper also enhanced the knowledge regarding levels, forms of CSR; need to understand CSR with outcomes etc. further the researcher also suggested a framework of research design, data analysis and measurement for future research of CSR.

Mallen (2012), In this article the researcher depicted that how the trends of CSR have changed from last so many years. This change has affected both the society and business. The researcher explained three basic things about the changes in trend. These are:

- Firstly, the relationship between business and society has changed. This is happening because of social and environmental problem around the world. Because of these conditions, business and society came closer.
Second, the businessman’s strategy of developing business also affected society a lot. Businesses new ideas, concept, developments also came with CSR management that reflects in their product and services.

Third, the other parties like outside agencies and firm’s own goals also interfere the firm’s activity.

An article published at knowledge @ Wharton on 23 may 2012, recommended that according to changing generation CSR importance are also changing. The researcher said that the next generation of business will give undue importance to the CSR activities while past researchers like Milton Friedman referred CSR as window dressing for businesses. Further, in this article, with the help of several examples it has discussed that companies engaged in CSR are more profitable in terms of money, human capital and other resources. Some companies and researchers termed CSR as cost saver while some taken it as reputation building activities. Lastly, it was concluded that CSR is beneficial for the society as well as business.

An article published in Tripple Bottom Line Magazine entitled “Initializing CSR: The top three essential elements” presented CSR according to changing time period. It has revealed through the article that CSR should be at the core of business goals. Sometimes, companies escaped because of social activities in which they engaged but in reality they suffered from financial problem at that time, or may be fraud. The paper has taken an example of Lehman brothers. The article also suggested some variables for initializing CSR. In these variables, it was firstly discussed that CSR can drive through efficient corporate governance. Secondly, through savings and increase in operating profits, so that investment in CSR can be upgraded. Thirdly, according to article, corporate volunteers believe to be an important variable to ensure that corporate responsibility can be fulfilled through the volunteer’s strategy.

The economic Times (2012), news highlighted the views of former president Dr. APJ Abdul Kalam in a CSR award function organized by industry body Assocham. Kalam said that companies should devote some part of its goal to corporate services. It should make mandatory for all the companies to spend a percentage of its profit on corporate social responsibility. Kalam also discussed about the proposed bill on corporate spending on CSR. They assumed greater importance of CSR in building the lives of the country’s citizens.

An article published in The Economic Times named as “CSR: A cloak for crooks” on 21 Oct. 2012 explored that there are so many companies which have engaged in Corporate Social Responsibility yet they are suffering from financial crisis, fraud and other unsocial causes. In this article, an example has been taken about the company Satyam Computer Services. the company has won several awards in the area of CSR which includes rural communities commitment and services like healthcare, education and water.

Bhattacharyya & Chaturvedi (2012), article entitled “CSR looks set to emerge as an independent stream with measurable output” on India CSR site, stated about the proposed bill of CSR that how the bill will affect the company’s policies. The researchers presented their views and said that due to this bill, company’s activities will change a lot the companies who has not engaged in CSR activities till now, will start investing on society. Further, who has already engaged in these areas will get a strong foundation or bond with the society.

An article presented on IndiaCSR entitled “Is CSR all Bullshit?” depicted that companies neither have a strong will power to invest in social activities nor they aware about the areas in which comes under CSR. The reason of this problem is ignorance about the concept of CSR and not any legal framework. The researcher also presented the solution of this problem that knowledge should provide in the institutions through training, induction programmes and through other
teaching programmes. If needed, foreign experiences should be used in India for Indian society welfare.

Bibhu Parshed (2012), article presented that CSR is the face of industry face of doing trade. Bibhu said that today, corporate houses took CSR as a medium fulfillment of profit greed of corporate houses. Further the article explored that companies today invests in a lot of areas like child labour, ground water, food, education, employment etc. but nobody is aware about the essential need of world’s poor. The article suggested that profit earning is a natural fact of companies but CSR is beyond the natural and statutory obligation of the companies. At last it was concluded in the article that sustainable development is the development of society as well as the company in a balanced way.

Bansal, Parida, Kumar (2012), paper entitled “Emerging trends of Corporate Social Responsibility in India” in KAIM Journal of Management and Research analyzed 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 and Cipla. The paper considered the nature and areas of society in which the companies are investing. By considering all those areas it was concluded in the paper that today companies are not working only to earn profit but also have realized the importance of being social friendly. So, on the basis of the paper it can be said that social responsibility has now started taking a turn in the new direction.

The Economic Times (11 Jan.2013), news highlighted about the company Dell’s strategy of motivating its employees in initializing CSR. The news discussed that company’s employees are the power that forced the company to do more for the society. Company with its employees has engaged in social responsibility activities in the areas of education, environment and employee’s welfare. Beside Dell Company, the news also discussed about other companies like Maruti and Gogrej that these companies also provide induction training to its employees for preparing them for community services. Maruti Company run a program named e-parivartan for a group of employees to make them aware about community problem and their solution.

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