

## A study of corporate social responsibility (CSR) initiatives of selected organizations in and around Pune city, state of Maharashtra, India

Un estudio de iniciativas de responsabilidad social corporativa (RSE) de organizaciones seleccionadas en y alrededor de la ciudad de Pune, estado de Maharashtra, India

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### ABSTRACT

From the last many years, Indian business organizations are implementing various corporate social responsibility (CSR) activities for the well-being of society. Nowadays, in the business sector, the concept of corporate social responsibility has achieved prominence from all avenues. Several Indian organizations are realized the importance of CSR activities with a view to promoting their brands. This study aims at to understand the perceptions of officials regarding CSR concept, the measure failed where they have initiated their CSR practices, their CSR approaches and major challenges faced by organizations in the implementation of CSR activities. Through the study, it is found that officials have different perceptions about CSR concept and adopted different approaches of CSR there are several challenges facing by the organizations in India. The study also focused on the advantages of CSR and the major aim of the organization for implementing CSR activities.

**Keywords:** Corporate Social responsibility activities; Corporate social responsibility approaches; Challenges in CSR; Perception of CSR.

### RESUMEN

Desde los últimos años, las organizaciones empresariales indias están implementando diversas actividades de responsabilidad social corporativa (RSE) para el bienestar de la sociedad. Hoy en día, en el sector empresarial, el concepto de responsabilidad social corporativa ha alcanzado prominencia en todas las vías. Varias organizaciones indias se dan cuenta de la importancia de las actividades de RSE con el fin de promocionar sus marcas. Este estudio tiene como objetivo comprender las percepciones de los funcionarios con respecto al concepto de RSE, la medida fracasó cuando iniciaron sus prácticas de RSE, sus enfoques de RSE y los principales desafíos que enfrentan las organizaciones en la implementación de las actividades de RSE. A través del estudio, se encontró que los funcionarios tienen diferentes percepciones sobre el concepto de RSE y adoptaron diferentes enfoques de RSE. Las organizaciones en India enfrentan varios desafíos. El estudio también se centró en las ventajas de la RSE y el objetivo principal de la organización para implementar actividades de RSE.

**Palabras clave:** Actividades de responsabilidad social corporativa; Enfoques de responsabilidad social corporativa; Desafíos en RSE; Percepción de la RSE.

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## 1. Introduction

Today, the majority of the leading Indian corporate organizations had realized the significance of CSR. Corporate Social Responsibility has provided organizations with a new tool to compete in the corporate and business sector (Asemah, Okpanachi, & Edegoh, 2013). CSR concept facilitates the alignment of corporate and business functions with social values. This concept is considered as a point of convergence of different initiative aimed at ensuring the social and economic improvement of the society (Idemudia, 2008). Majority of Indian corporate organizations have been quite sensible in implementing CSR activities and integrating them in their business processes. In simple words, CSR is referred to as business responsibility and an organizations activity on environmental, ethical, social and economic issues. (Saxena, 2016). As for the United Nations and the European the commission, CSR leads to triple bottom line-profits, protection of environment and combat for social justice.

The concept of CSR evolved from its early beginnings in the 1950s. This concept found its fate in Europe than in the USA. According to Arora, & Puranik, (2004), "The CSR concept had various meanings, depending on the stakeholder and that depending on the specific solutions". It is the procedure of assessing and organizations impact on society and evaluating their responsibilities towards society.

Nowadays, CSR has come a long way in India. From responsive practices to sustainable initiatives, organizations have clearly demonstrated their inability to make a significant difference in the community and improve the overall quality of life. Changing a business scenario, liberalization, and globalization, ethical consumerism is adding heat to the concept of CSR (Hamid, Singh, & Abdullah, 2017). Today, the majority of the organizations are indicating their commitments towards CSR practices with a view to enhance their corporate image or reputation or to be in the competition. therefore, CSR has become a successful concept for every corporate organization in order to ensure their capacity for long-term value and gain competitive benefits. In the opinion of Azim Premji chairman of Wipro Ltd, CSR aims at fundamental social development. In the Indian context, it means and efforts to realize the vision of just, humane and equitable society and where every action, however, small, is driven by this large vision, that is real action (Sharma, & Kumar, 2015).

Through the present study, the paper researcher has attempted to focus on the perceptions of officials on the CSR concept and major field of CSR. This study also focuses on the bay TS CSR approaches adopted by the organizations, major aims of implementing CSR activities, main challenges in implementing CSR activities and advantages of CSR activities.

## 2. Review of Literature

Uvais, & Cholasseri. (2013), have focused on the findings and reviews the Dimensions of CSR and challenges in CSR in India. Authors have pointed out that, lack of understanding, lack of trained workforce, lack of coverage, lack of policy, etc., are some of the challenges in the CSR. Through the study, authors have discussed on the CSR and business ethics. Authors have stated that the concept of CSR is now firmly rooted in the global business agenda. In the opinion of authors, the major challenges facing by the corporate organizations is the need for more reliable indicators of development in the field of CSR; along with the dissemination of CSR strategies. Through the study, authors have attempted to comprehend and gain insight into the behaviour or attitude of organizations towards various aspects of social contribution.

Sarkar, & Sarkar. (2015), have analyzed the potential implications of mandated CSR under the recently enacted companies act 2013 in India on firm incentives, likely responses of corporate are that came under the ambit of the law, implications for resource availability and delivery of social goods and the prospects and challenges of implementing mandated CSR. Through the study, authors have focused on the legal framework of CSR in India and reasons for implementing corporate social responsibility, regulatory approaches to CSR and CSR practices of Indian organizations. This study paper urges that notwithstanding the potential economic costs that may accompany mandated CSR, the provisions of the act are designed thoughtfully to balance the goals of the organization and its shareholders on the one hand and that of the society and its stakeholders on the other.

Shyam (2016), has stated that today in India, CSR has become a fundamental business practice and has achieved much attention from the management of large scale business/corporate organizations. The author has explained the concept of CSR and analyze the development of CSR in the Indian context. Through the study, the author has also discussed the policies governing in India and the cases of CSR initiatives by Indian organizations including small and medium scale enterprises role in CSR. The author has focused on the overreaching and growth of CSR in India and changing trends in CSR, that this from charity to responsibility. The author has concluded that effective partnership among organizations and NGOs and government agencies will place India's social development on our right track.

Gautam, & Singh (2010), have discussed the various definitions and descriptions of CSR. Authors have elaborated the development of the CSR concept in Indian organizations. Authors have examined how India's top 500 organizations view towards CSR and process of their CSR. Through the study, authors have also identified key CSR practices and maps these against the global reporting initiative standards. Authors have found that CSR is now presented as a comprehensive business strategy, arising mainly from performance considerations and stakeholders pressure. Authors have suggested that business and CSR strategy appeared to be on a convergent path, towards business and CSR integration across the organization. This study paper gives a perspective on how top Indian

organizations view and conduct CSR.

Sharma, & Kiran (2013), have presented some reviews of study articles related to corporate social responsibility from 1975 to 2011. The review of these articles, study papers are conveying changing departments of CSR practices. Through the study, authors have presented currents in the idea of CSR in India and the world. Authors have examined the evaluation of policy, framework, parameters and observed that, rather than evidence of a single form of CSR practices, the organizations have two diversify the CSR practices from philanthropic practices to Carroll's social responsibility practices. Authors have pointed out that, majority of corporate organizations are new showing their commitments towards CSR. This study paper is based on the literature reviews published in various journals. In the opinion of authors, there is a need for further research to determine whether the findings of the previous studies are situational rather than generalizable.

**3. Significance of The Study**

The present study is significant due to the increasing strategic business weight and attention paid by Indian corporate organizations which have result business to be more sustainable. CSR activities enable corporate organizations to give something to society. It induced organizations to create church are economic and environmental innovation (Geethamani., (2017). The organizations selected for the study purpose are from various sectors i. e. Service, Banking, Manufacturing, Information Technology, etc. and the role of these organizations in the Indian economy and Indian society is very important. This CSR practices playing an important role in improving the repetition of these organizations in the corporate world and CSR activities he is catching up in these organizations to now. Indian organizations have now realized that customers are willing to pay more of the organization that acts on ideas, therefore, this study is significant with a view to know all about the CSR activities implemented by the selected organizations.

**4. Objectives of The Study**

- a) To understand the perceptions of officials about the role of CSR in community development.
- b) To understand the major fields of CSR.
- c) To understand the CSR approaches adopted by selected organizations.
- d) To understand the major aims of implementing CSR practices.
- e) To understand the opinions of officials about the advantages of the CSR.
- f) To understand the major challenges/constraints in the implementation of CSR activities.

**5. Research Methodology**

This study is exploratory in nature and based on primary and secondary information. Primary information is collected with the help of a small questionnaire prepared for CSR officials of the selected organizations. Secondary data which includes published shows the sector-wise a number of selected organizations.

**5.1 SELECTION OF SAMPLE**

Sector	Number of organizations
Manufacturing	43
Information Technology	42
Service	39
Banking	26
<b>Total</b>	<b>150</b>

Convenient sampling method has been adopted for the section of organizations. Questionnaires well fed up from the CSR officials of the selected 150 organizations situated in and around Pune city.

**5.2 Limitations of The Study**

- a) The present study is restricted only to the selected corporate organizations located in and around Pune city.
- b) The reluctance on the part of few CSR officials to provide accurate information is limiting factor.
- c) The results of the study are situational and may not be generalizable. The results of the study area as per the social economic conditions of the study area; specifically, in the context of challenges or constraints

facing in the implementation of CSR activities by the selected organizations.

## 6. Results and Discussion

*Table 1, Perceptions of officials on CSR concept*

Perception	No. of Respondents	Percentage
It is a link between organization and the society	18	12%
It is an important source of attracting talented people towards organization	07	5%
It is an important tool of environment protection and social obligations	12	8%
It is an important tool for sustainably of corporate goals	15	10%
All the above	98	65%
<b>Total</b>	150	100%

As per the collected information from the CSR officials of the elected organizations, 12% of them stated that through the CSR practices can create a link between the society and the organization. In the opinion of them, through the CSR practices, the existence of organizations in the society is felt beyond a perception that organizations are not only are places of just getting employment and other business and service procedures, but are centers of social capital that are necessary for the development of the society. In the opinion of 5% officials, CSR practice is an important source to attract talented employees towards organizations. Organizations can take benefit of their reputation in the context of CSR and strengthen their appeal by making their commitment part of their value proposition for the potential candidate and the employees also view their organization's commitment to socially responsible behavior more favorably and tend to have a positive attitude towards organizations that co-relate with their better performance. 8% officials have stated that, CSR activity ease and important tool of environment protection. Nowadays, many organizations have been engaged in learning and advocacy of nature and environment protection to CSR practices. Protection of nature and environment is a CSR initiative that caves advantage to the society in preserving the latter's rights towards repaying healthy environment. 10% officials have stated that CSR activity is an important tool of the substantive ability of corporate goals. CSR practices represent a continuing commitment by the organization to behave ethically and involved in the economic development and improving the quality of life of their employees and society. Majority of the officials (65%) have stated that all the above-stated aspects make clear the concept of corporate social responsibility(CSR).

*Table 2, Major Fields of CSR in which selected organizations are engaged*

Fields of CSR	No. of Organizations	Percentage
Public Health Care	20	13%
Rural Development Projects	18	12%
Environment protection	21	14%
Promotion of Education	52	35%
Women and Child Welfare	39	26%
<b>Total</b>	150	100%

As per the information provided by the CSR officials of the selected organizations, 13% of organizations are involved in the public health care activities through CSR, which includes a free medical check-up camps in rural areas for adolescent girls, old age people movement and children, promoting preventive health care, sanitation and promoting pure drinking water. If the prior percent of organizations are conducting a ruler and development projects include the programs related to eradicating malnutrition, agricultural guidance for farmers and strengthening rural parts by developing roads, housing, etc. 14% of organizations are involved in environmental protection to CSR activities. The environment protection activities involve ecological balance, agroforestry, conservation of natural resources, maintaining the quality of soil etc. 35% of organizations are involved in the education field through CSR practice, which involves promoting primary education, donation of benches, blackboards and other furniture to the village-based schools. Apart from this some organizations are enhancing vocational skills training programs for rural women. Some organizations have taken the responsibility of providing mid-day meal to the primary

school children. 26% of organizations are involved in women and child welfare programs through CSR, which included entrepreneurship development, an adult education program for women, women health care, etc.

**Table 3, CSR approaches adopted by the selected Organizations**

Approaches	No. of Organizations	Percentage
Established own foundation	22	15%
Working with NGO'S or Charitable trusts	63	42%
Working with govt. Agencies	65	43%
<b>Total</b>	150	100%

The above table depicts the various CSR approaches adopted by the selected organizations. As per the collected information, 15% of organisations have their own foundations for implementing their CSR practices. Majority of such organizations are in IT sectors. These foundations are not having the aim of making a profit but these foundations are established with a view to providing good welfare service to society through CSR activities. A good example of such organizations are Infosys, Hindustan Lever, Mahindra, and Mahindra, etc. some of the organizations (42%) are working with NGOs or charitable trust for achieving their objectives of corporate social responsibility examples of these organizations are Jet Airways, Cummins India, Tata Power Ltd, etc. which are working with the NGOs to carry out its CSR practices apart from this 43% organizations are working with government agencies for carrying out their CSR practices.

**Table 4, Aims of Organizations of implanting CSR activities**

Aims	No. of Organizations	Percentage
To increase reputation of Organization	29	19%
To increase customers	11	7%
To get tax benefits from government	34	23%
To develop and enhance relationship with society	10	7%
All the above	66	44%
<b>Total</b>	150	100%

The above table highlighted the main aims of organizations for implementing CSR activities. As per the information provided by the CSR officials, 19% of organizations are implementing CSR activities for increasing reputation for their organizations. 7% of organizations main aim for implementing CSR activities is to increase and retain the customers 23% of organizations major aim is to get tax benefits from the government. 7% organizations are implementing CSR activities with a view to develop and enhance the relationship with society. Majority of the organizations (44%) are implementing CSR activities for fulfilling all the above-stated objectives.

**Table 5. Advantages of CSR (Opinions of Officials)**

Opinions	No. of Organizations	Percentage
Reduction in exploitation of labour, bribery corruption	08	5%
It helps in business growth	11	7%
Growth in profitability	20	13%
It helps in redressing the balance between organization and employees	10	7%
It helps in increasing reputation of the organization	22	15%
All of the above	79	53%

<b>Total</b>	150	100%
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The above table depicts the advantages getting by implementing CSR activities. In the opinion of 5% CSR officials, due to implementing CSR activities there is a reduction in the exploitation of labor, bribery, and corruption according to 7% officials, successful CSR activities help in business growth and improvement in organizations reputation. In the opinion of 13% officials, CSR activities help to improve profitability, growth and sustainability of the organization. According to the 7% CSR officials CSR activities play an important role in redressing the balance between organizations and employers and according to 53% are officials, they are getting all about is the advantages due to implementing CSR activities by their organizations this shows that CSR activities take organizations beyond compliance with the legislation and leads them to respect people and society.

**Table 6, Challenges and Constraints in implementation of CSR activities**

<b>Challenges</b>	<b>No. of Organizations</b>	<b>Percentage</b>
Poor response of Society	42	28%
Transparency Issues	28	19%
Lack of trained and capable workforce	39	26%
Lack of clear guideline of CSR	30	20%
Narrow outlook of NGOs and government agencies	07	4%
Lack of consensus of local agencies or NGOs	04	3%
<b>Total</b>	150	100%

If as per the information provided by the CSR officials, there are several challenges and constraints in the implementation of CSR activities. For a response of society and biased mindset of people is a key challenge which hindering CSR cities in India, stated by 28% CSR offices. 19% of officials opine that, lack of transparency on the part of local agencies as they are not willing to disclose information about their programs, issues related to audit, utilization of funds and assessment impacts etc. all these factors created negative impacts on the trust between organizations and society, which make people biased about CSR activities of the organizations lack of trained and capable workforce is also an important constraint in the implementation of CSR activities, stated by 26% CSR officials. According to them due to non-availability of trained and capable workforce to work in remote and rural areas, it is highly impossible to assess and find out the real requirements of the community. 20% of CSR officials have stated that there are no clear statutory guidelines or policy directives for the implementation of CSR activities. 4% of CSR officials have opined that narrow group of NGOs and government agencies towards CSR activities create a good stack can in the CSR initiatives of the organizations. Therefore, many organizations find it difficult to participate in CSR activities. According to the 3%, CSR officials lack consensus among local agencies about CSR activities, also make an obstacle in the implementation of CSR activities by the organization. This front results in duplication of activities by the organizations in the areas of their intervention. This fact creates a competitive spirit between local agencies and organizations, rather than making collaborative approaches on the problematic issues and this has created a limitation on the inability of the organization to assess the effects of their CSR activities from time to time.

## 7. Findings and Conclusions

- i. Through the study, it is found that almost all the officials are having clear cut perception regarding CSR activities. According to them, CSR is a link between the community and the organization's tool of attracting and retaining employees in the organization and it is an important tool of environment protection. It is concluded that almost all the officials are aware of the exact role of CSR practices in the corporate world.
- ii. It is found that, promotion of primary education, the welfare of women and Child, rural development, public health are some of the major areas of CSR in which major radio of the organizations are involved. It is concluded that nowadays CSR practices in India is headed in a positive direction and playing an important role in those areas where there is a lacking.
- iii. Organizations have adopted different approaches with a view to carrying out their CSR activities. Many of organizations are having their own foundations, some of them working with NGOs and government agencies charitable trust, instead of appointing separate trained employees for implementing CSR treaties



it is observed that the majority of the organizations are working with government agencies. The main intense behind at opting this approach is to avoid the cost of maintaining separate CSR fell for CSR cost of employees their training etc.

- iv. It is found that, all the organisations are having certain aim for implementing CSR activities. The basic aim of implementing CSR today he's to maximize the organization's overall impact on society and receive tax benefits from the government. It is concluded that the Total organizations CSR has become significant due to heightened interest in the role of corporate organizations in the society has been promoted by increased warmth to and ethical issues and environmental awareness.
- v. Through the study, due to implementation of CSR activities, organizations are getting some advantages. In this regard it is concluded that CSR is an approach of organization which contributes to sustainable growth, improvement by providing social economic and environmental advantages not only to the organizations but also to the society at large.
- vi. It is found that there are several challenges and constraints in the implementation of CSR activities. Lack of community participation or poor response from society is the major constraint or challenge facing by the organizations. Apart from this, the challenge of getting the trained and capable workforce to carry out the CSR activities. There are no clear guidelines or policy directives for implementing CSR activities. It is observed that the scale of CSR initiatives is according to the size of the corporate organizations and the profile of the organizations that is large-scale organization larger is its CSR activities.
- vii. It is found that the CSR activities conducted by Indian organizations lack specific guidelines regarding their investment parameters, effect majoring criteria and areas to be covered for CSR activities.

## 8. Suggestions

- i. For effective implementation of CSR activities, it is suggested that there should be public – private partnership with well-defined controls and process with a view to optimum utilization of available resources for the well-being of the community.
- ii. There should be a provision of the special budget by the organizations for treating CSR activities as an investment from which returns are expected.
- iii. There should be proper guideline directives prepared by the government with a view to effective implementation of CSR activities in rural as well as in remote areas.
- iv. There issued more focus through CSR on primary education, women's health programs, vocational training programs for women, disaster management, Green marketing, etc.

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