

CORPORATE SOCIAL RESPONSIBILITY IN INDIA: A COMPARATIVE STUDY OF PROFESSIONAL STUDENTS AND EXECUTIVES

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ABSTRACT

The ongoing change in the perception of business, from a narrow view of profit making to a wider view of extended responsibilities towards its stakeholders, is challenging enterprises both at the global level and at the national level. The concept of Corporate Social Responsibility (CSR) is different to different companies. CSR is a new business phenomenon which is not yet fully-understood and explored (compared to environmental issues) in corporate discussions and many of its features (e.g., definition, scope, etc.,) are still debated upon and a subject of different business debates so far. The present study is an attempt to study the concept of Corporate Social Responsibility in Professional Students and Executives, adopting a qualitative approach to research. The paper ends with a discussion on the research outcomes, setting agenda for further research.

INTRODUCTION

The forces of Globalization has led to rapid changes in the market place and increased competition. This force has compelled organizations in India to adopt a fresh perspective. As Organizations focused on customer, mission and the organization's role, they were forced to make changes. The paradigm 'Survival of the Fittest' has become the order of the day resulting in an urgent shift in practices at the enterprise level, that would focus on Organizational Performance. The current trends have brought a realization among the firms that in order to compete effectively in a competitive environment; they need clearly defined business practices with a sound focus on the public interest in the markets (Gray, 2001).

The social context in which business operates at the beginning of the 21st century is highly uncertain, complex and dynamic. Tensions exist between commercial opportunities on the one hand and potential social impacts of their exploitation on the other, and sometimes hard choices have to be made. The activities of legitimate global business create havoc with climate, environment, biodiversity and the very basis of life on the planet (Collier & Esteban,

2007). The civil society's awareness of the need for corporate social responsibility is also increasing. There has been a growing interest in Corporate Social Responsibility (CSR) across a range of disciplines (Hemingway & Maclagan, 2004). Companies facing these challenges are aware that Corporate Social Responsibility can be of direct economic value. They view these activities not as a cost but an investment. They view it as a long-term strategy. As a result, CSR has emerged as an inescapable priority for business leaders in every country (Porter & Kramer, 2006; Porter & Kramer, 2002).

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) in the past decades has intrigued not only the scholars but the practitioners as well. CSR is one of the most widely researched topics in the extant research literature, it is still difficult to give a precise and commonly accepted definition. The term CSR includes environmental, social and human rights-based impacts and initiative of companies (Ward & Fox, 2002). European Commission in a green paper published in 2001 defines it as 'essentially a concept whereby companies decide voluntarily to contribute

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to a better society and a cleaner environment'. The concept provides a way for business to concern itself with social dimensions and pay some attention to its social impacts. Various definitions of CSR exist. The Strategic Advisory Group on CSR of International Organization for Standardization (ISO) describes it as 'a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, community and society' (ISO, 2002). According to Peter Drucker (1954) 'the enterprise is an organ of our society and its actions have decisive impact on the social scene. It is thus important for management to realize that it must consider the impact of every business policy and business actions upon society. It has to consider whether the action is likely to promote public good, to advance the basic belief of society, to contribute to its stability, strength and harmony'. Donaldson and Preston (1995) describe CSR as a source of profits and competitive advantage, whereas other researchers prescribe the integration of CSR in corporate strategy as a means to enhance the corporate image and competitiveness (Branco & Rodrigues, 2006; McWilliams et al., 2006; Porter & Kramer, 2006). According to survey of CSR undertaken by the *Economist* (2005), it was suggested that firms need to articulate their social contributions and to integrate the concept of CSR at the highest level of management decision making. A majority of companies in the West and the third world have started taking the concept and practices of CSR seriously (Hopkins, 2003).

Further, various definitions of Corporate Social Responsibility exist in the research literature. Votaw (1972) defines CSR "means something, but not always the same thing, to everybody" (p. 25). According to Bowen (1953), who is one of the first scholars to define the concept, CSR is the obligations of businessmen "to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (p. 6). Since this definition of CSR, the definitions of the concept going in opposite direction can be found in the research literature. The elaborate review of Carroll (1999), which traces the evolution of the CSR construct since the 1950s, indicates that one of the main problems in the literature is to define the conceptual framework of CSR. Sims (2003) defines CSR as "... 'social responsibility' and 'legality' are not one and the same thing. CSR is often seen as acts that go beyond what is prescribed by the law" (p. 46). The

definitions of McGuire (1963) and Davis (1973) distinguished the social responsibilities of a business from its economic, technical, and legal obligations. Despite his attractive distinction, Carroll (1999) stated that "economic viability is something business does for society as well" (p. 284) and described the economic component as "a responsibility to produce goods and services that society wants and to sell them at a profit" (1979, p. 500). Davis (1960) defines CSR as "...businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis, 1960, p. 70). Eells and Walton (1974) define Corporate Social Responsibility as "In its broadest sense, corporate social responsibility represents a concern with the needs and goals of society which goes beyond the merely economic" (p. 247). In the current study, the economic component is excluded from the definition of CSR. Therefore, CSR is defined as corporate behaviors that aims to affect stakeholders positively and that go beyond its economic interest. Corporate social responsibility is a commitment by a business towards ethical behaviour, economic development and improvement in the quality of life of its workforce, their families, the local community and the society at large (Moir 2001). The underlying theme of corporate social responsibility is that business and society are interwoven rather than distinct entities (Wood 1991). **CORPORATE SOCIAL RESPONSIBILITY IN THE INDIAN CONTEXT**

Recently, the concept of Corporate Social Responsibility has started gaining serious attention by researchers in the Indian context. Sastry (2011) organized a roundtable discussion with a panel of entrepreneurs from the corporate sector and leaders of civil society debating on various contentious issues related to the concept of 'Corporate Social Responsibility' Sharma (2011) defines Corporate Social Responsibility as 'it is the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving the welfare of the society independently of the direct gains to the company'. From the above discussion, it can be concluded that this concept is considered to be important by various researchers and stakeholders of Indian corporations, there is a glaring lacuna with respect to the definition of the concept. The present research endeavour is an attempt in to fill this void.

THE PRESENT STUDY:

The present research endeavour is designed to get insights into the concept of 'Corporate Social Responsibility', as perceived by

- a) students in the final year of various professional courses, who will be joining work organizations &
- b) by executives of an professional work organization in India.

The study was undertaken considering two different sets of sample. The first sample set consisted 40 students of various professional courses in a technical university in Eastern part of our country.. Whereas the second set of sample consisted of 20 executives belonging to two public sector organizations in India, who were attending a Management Development Programme conducted at a technical university.

SAMPLING METHOD AND PLAN

The method of sampling adopted for this study was 'Purposive Sampling', owing to the specific nature of research problem under investigation. The sampling plan adopted for the sample consisting of students was to contact approximately 20% of the total students of the university. Among these, the students who voluntarily agreed to participate and who were in the final year professional course in Engineering (B.Tech) comprised our sample.

The second set of sample consisted of executives belonging to two public sector organizations in India, who were attending a Management Development Programme conducted at a technical university. Among them, the executives who voluntarily agreed to participate in the study comprise our sample

PROCEDURE

The data was collected by 'a dual-moderator focus group interview' (Malhotra, 2001). A focus group is an interview conducted by a trained moderator(s) in a non-structured and natural manner with a small group of respondents. The moderator leads the discussion. The main purpose of focus groups is to gain insights by listening to a group of people from the appropriate target market talk about issues of interest to the researcher. The value of the technique lies in the unexpected findings often obtained from a free-flowing group discussion (for details, one may refer to Malhotra, 2001, Morgan, 1997).

Focus groups are the most important

qualitative research procedure. They are so popular that many marketing research practitioners consider this technique synonymous with qualitative research (Garee & Schori, 1997). A focus group generally includes 8 to 12 member (Dachler, 1997; Fern, 1982). A focus group should be synonymous in terms of demographic and socioeconomic characteristics. Commonality among group members avoids interactions and conflicts among group members on side issues (Nelson & Frontczak, 1988). Moreover, the participants should be carefully screened to meet the certain criteria. The participants must have adequate experience with the object of issue being discussed. It is recommended that at least two groups be conducted (Greenbaum, 1997). A total of four focus groups were conducted as part of this study.

RESULTS AND DISCUSSION

The following ideas were generated in the discussion held in the four focus groups that were conducted as part of this study. They are listed in the descending order, as expressed by the professional students, who constitute the student sample:

1. Corporate Social Responsibility helps in the development of people.
2. Corporate Social Responsibility is the responsibility of a corporation towards development of the society.
3. Corporate Social Responsibility is the responsibility of a corporation towards the society and its welfare.
4. Corporate Social Responsibility is the responsibility of a corporation towards the people where it is involved in business.
5. Corporate Social Responsibility is the responsibility of an organization towards helping the government in the development of the society.

The following ideas were generated in the discussion held in the four focus groups that were conducted as part of this study. They are listed in the descending order, as expressed by the respondents of the study:

1. Corporate Social Responsibility is an important feature of business, which the managers have a responsibility towards the environment.
2. Corporate Social Responsibility is the responsibility of a corporation towards the society and its welfare.
3. Corporate Social Responsibility is the requirement by the law for an organization to

- engage in welfare measure in the society.
4. Corporate Social Responsibility is the responsibility of an organization towards helping the government in the development of the society.
 5. Corporate Social Responsibility is the responsibility of a corporation towards development of the society through various department and individuals in the organization.
 6. Corporate Social Responsibility is the result of the outplay of various individual and groups/ departments towards the society at large.
 7. Corporate Social Responsibility in the outcome of ethics and satisfaction of the employees of an organization towards the society,

LIMITATIONS OF THE STUDY

The study suffers from the following limitations: The disadvantages of qualitative research and focus groups are applicable to this study (please refer to Greenbaum, 1997). Apart from this questions may be raised regarding the generalizability of the findings of study, owing to the method of sampling adopted.

CONCLUSIONS AND IMPLICATIONS FOR FURTHER RESEARCH.

The concept of corporate social responsibility is not new to india. it has been a well-established tradition in a number of organisations, particularly family-based companies with a strong community ethos. Historically it has been a significant influence, impacting on business, government and society relationships (Sundar 2000, Shrivastava and Venkateswaran 2000). It has been defined in a number of ways and, to a large extent, the discussions about 'what it is' have been confused by the variety of perspectives adopted. It is evident in the findings of the

The findings of the study call for further investigation on the topic . It paves way for further research on the concept of 'corporate social responsibility'. The findings of the study can serve, as a basis for generating important hypotheses, that may be used for conducting quantitative research. Empirical contribution of the study is that provides empirical evidence with respect to the concept of Corporate Social Responsibility. Use of a qualitative method, primarily used in the field of Social Sciences, to study a research question of relevance to 'Corporate Social Responsibility', is the methodological contribution of this research endeavour. Applied

contribution is envisaged as follows: The findings of the study may aid senior managers of work organizations to get insight into the expectations regarding the concept of 'corporate social responsibility', among executives who work with them. It will help them design strategies and incentive schemes which may have implications for higher productivity. Future studies may also address the same research questions by conducting a study involving the interplay of various variables at the individual and group level with respect to Corporate Social Responsibility among executives drawn from organizations.

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