

# Evolving Approaches of CSR in India in the Post-Mandatory Regime – An Exploratory Study of Managerial Understanding

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## Abstract

Corporate Social Responsibility (CSR) has garnered worldwide attention (Jamali & Mirshak, 2007), both in the academic and corporate domains. It has predominantly gained impetus in the developing countries; with nations like India imposing legislative mandates (Subramaniam et al. 2017). India has an extensive history of CSR (Sundar, 2000) but lacks academic depth and understanding of the phenomenon (Dhanesh, 2015); particularly in the post mandatory regime. This extensive exploratory research based on the managerial perspective utilizes semi-structured interviews of 28 CSR managers responsible for implementing CSR within corporates. Thematic analysis of interview data identifies 4 unique approaches adopted by Indian companies and their resultant benefits. It is indeed one of the first researches in India done in both Public Sector Undertaking (PSUs) as well as the Private Enterprises. The study strengthens the existing knowledge base and assists corporates to build their CSR strategies and furthers understanding of companies' objectives of social development.

**Keywords:** Corporate Social Responsibility, Philanthropy, Shared Value, Mandatory CSR, Business Responsibility, Companies Act, 2013

## Introduction

Corporate Social Responsibility (CSR) concept has gained prominence around the world (Jamali & Mirshak, 2007). Globalisation coupled with an increase in international commerce has amplified trade complexities thereby driving transparency and corporate citizenship. The onus of societal development which rested predominantly with the governments has now shifted to the role of business within the society. This is because the needs of society have surpassed the government's capacity and administrations today view prospering corporates as solution providers to national economic and social challenges (Subramaniam et al. 2017; Archel et al, 2009).

The CSR literature is diverse. CSR studies are based on multiple perspectives including social issues, economic problems, nations, culture, the industry of implementation, etc. Both, the theoretical and pragmatic literature predominantly emphasize the role of business within the society

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(Porter and Kramer, 2006; Visser, 2008). Traditionally CSR was deemed voluntary and philanthropic in nature (Dalshrud, 2008; Subramaniam et al. 2017) where firms looked to develop legitimacy and social capital basis actions that focused on the well-being of the organisational stakeholders and the environment (Husted and Allen, 2006; Jamali and Neville, 2011). Literature today extends beyond the voluntary nature to overlap with ideas like business sustainability, corporate citizenship, triple bottom line, environmental sustainability, social accountability; business ethics, corporate accountability, and business responsibility (Broomhill, 2007).

Literature also covers mandatory approach based on government interventions facilitating social development (Cominetti & Seele, 2016; Gatti et al, 2019) and furthers the investigations based on mandatory CSR. Thus, CSR comes out as a management practice with a focus on economic, community development, and environment protection substantiated by the bond between the society and the corporate. The concept is constantly subject to academic dispute. It is highly contextual, both in terms of the corporate environment as well as the national environment (Chapple & Moon, 2005). The concepts, definitions, and theories based on CSR are still evolving despite abundant past studies. These differences are caused due to the divergent assumptions about what CSR entails, the legal and economic obligations along with the accountability towards the stakeholders or the broader responsibility towards the society at large.

A large number of CSR studies are rooted in the economic and corporate contexts of the US and Europe (Raman, 2006; Dhanesh, 2015). There is a dearth of theoretical and empirical CSR studies based on the Indian context (Arora and Puranik, 2004; Balasubramanian et al. 2005). The local culture and tradition also has an impact on the understanding and implementation of CSR (Jamali & Neville, 2011). Mohan (2001) maintains that the CSR study needs to be in-situ since it is rooted in specific socio-cultural facets. Research concerning the understanding of the CSR paradigm is focused on the organizations, however, the managers are the decision-makers for any organization and are directly or indirectly responsible for the CSR strategies of a firm. Hence it is integral to understand the concept of CSR from the perspective of the managers (Hine & Preuss, 2009). The Indian legislative development concerning CSR has been particularly significant post the landmark Companies Act in 2013 (Subramaniam et.al, 2017; Pillai, 2017). India has become the first country where profit-making government and non-government companies have to undertake CSR activities and spend a designated percentage of

their net profits on CSR (Subramanian et. al, 2017; Dharampala & Khanna, 2018). But there is limited understanding of how the current business environment and mandatory administrative mechanism together with the managerial dynamics affect the CSR approaches of an organisation. Multiple recent studies stress the importance of further investigation of the concept (Kansal et al. 2014; Kansal et al., 2018). Hence, the study of CSR from the Indian context is critical.

The motive of this interpretive article is to explore the understanding of the major CSR approaches adopted by the corporations, during the post-mandatory regime and gauge the benefits of these CSR approaches to the organization. Based on the thematic analysis of interview data of 28 CSR executives of Indian corporations, the research suggests that the companies adopt four diverse approaches towards CSR practices that range from philanthropy to stakeholder-driven to active adoption of shared value. Thus, this study contributes towards the much-needed perspective of a developing economy highlighting the complex dynamics amongst both Public and Private enterprises. It emphasizes on better structure from the policy-making perspective and integrating it within the vision and mission of an organization.

The remaining article is structured as follows. Section 2 gives comprehensive detail of available academic literature on CSR both in the western world and India. The research methodology adopted is discussed in Section 3 giving details of the exploratory research conducted using thematic analysis of the interview data of CSR managers in Indian conglomerates. Section 4 explicitly talks about the result and discussion of the research findings while section 5 discusses the concluding remarks along with the scope for future research and the limitations as observed in the study.

### Concept of CSR

Carroll (1999) dubbed Bowen (1953) as the “father

of corporate social responsibility” since the literature on the contemporary period of CSR began with the publication of Bowen's book titled *Social Responsibilities of the Businessman* (1953). In the 1960s growth in CSR literature gave special focus on the understanding of social responsibility and its significance to the corporates and the society (Carroll, 1999; Carroll & Shabana, 2010). The 1970s emphasized corporate social responsiveness as a medium for CSR growth and included the new term corporate social performance (CSP). Sethi (1975) discussed “dimensions of corporate social performance”. CSR as a concept was first systematized by (Carroll, 1979) by looking at business social responsibility to encompass the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time. The resultant “pyramid of CSR” has formed a base for future researches. Developing new and advanced definitions of CSR continued to be the focus area in the 1980s. Also, areas like business ethics, public policy, and stakeholder theory/management emerged (Carroll, 2008). Stakeholder theory was proposed by (Freeman, 1984). The concept of “triple bottom line” (or 3BL) was conceptualized by (Elkington, 1999) and linked to the sustainability paradigm. The 90s spoke about the business case of CSR (Carroll, 2008). (Carroll and Swartz, 2003) conceived the new three-domain model from the initial pyramid consisting of the economic, legal, and ethical responsibility. Bhattacharya and Sen (2004) categorized the company's CSR activities into six domains by exploring the link between CSR activities and the outcomes of a customer. Basu & Palazzo (2008) noted stakeholder driven, performance driven, and motivation driven as the three vital lines of CSR inquiry. The 'normative view' of CSR outlined the organizational connection with the multiple stakeholders. Scholars also have argued about the importance of sustainable development which today is often discussed synonymously with CSR. It grew from a limited understanding of

environmental protection to embrace economic and social considerations as well (Garriga and Melé, 2004).

The concept of CSR in India has existed for several centuries. CSR is shaped by family values, traditions, culture, and religion, as also industrialization. It has played a seminal role in developing business, society, and politics within the country and influencing their interrelationship. CSR activity in India can be traced back to 1500 BCE to 600 BCE i.e. the Vedic period (Sundar, 2000). The act of “giving” was based on the religious, cultural, and national practices through the Hindu concept of dharma or duty that is deeply embedded in the subconscious of Indian society (Mitra, 2007). In the late 19<sup>th</sup> century, with emerging industrialisation, the traditional merchant groups supported nation-building. By supporting schools, colleges, hospitals, and temples they made a noteworthy contribution. They also contributed towards public health, rural development, and technical training (Mohan, 2001). Kumar et al. (2001) proposed four CSR functional models - a. The Gandhian Model based on voluntary obligation towards public welfare rooted in ethical response towards social needs. b. The Nehru Model focusing on policies driven by states like ownership of state along with corporate regulation and administration. c. The Milton Friedman Model where the primary focus of corporate responsibility rested on owner objectives. d. The Freeman Model recognized direct and indirect stakeholder interests through stakeholder responsiveness. The culture of engaging in CSR in India can best be understood through a four-phase framework given by (Sundar, 2000) that takes place through India's modern history. Dhanesh (2015) identified two major drivers of CSR on a broad level: the moral perspective and the strategic perspective while Arevalo and Aravind (2011) looked at both drivers & barriers to CSR. Whitehouse (2006) purported CSR as a critical tool to develop the business and society relationship. Khan and Atkinson (1987)

study acknowledged that a majority of Indian CSR managers approved of CSR's relevance to the business and upheld the responsibility of business not only towards their shareholders and employees but also towards the customers, suppliers, society including the state. Balasubramanian et al. (2005) looked at Indian CSR to be transforming into long-term business development initiatives where priority for social development, ethics, and values, belief in the philosophy of stewardship were identified as major motivators for CSR implementation basis a nationwide survey.

India is the world's largest democracy with a fast-growing economy. The Ministry of Corporate Affairs (MCA) incorporated the Companies Act of 2013 under the aegis of the Indian government on April 1<sup>st</sup>, 2013 which made it mandatory to expend 2 percent of three-year average annual profits towards CSR activities under Section 135 and Schedule VII of the Companies Act, 2013 (Dharampala & Khanna, 2018; Pillai, 2017). The companies with a net worth of rupees 500 crores or more, or turnover of rupees 1000 crore or more, or a net profit of rupees 5 crores or more in any financial year were brought under the ambit of the law. This move was directed towards making corporate India accountable for social development. Post the implementation of CSR law, studies looked at the impact of CSR on the firm's financial performance (Garg, 2016; Dharmapala & Khanna, 2018). Prakash et. al (2017) categorized CSR into two main types: responsive CSR and adaptive CSR based on the activities of the firm while Godfrey et. al (2017) looked at the old form of philanthropy based on traditional values and the new form based on the law. Gokarna & Krishnamoorthy (2021) identified 9 dimensions of CSR using content analysis of the websites along with the activities that contribute towards the dimensions. However, there is a need for a deeper understanding of the concept post the mandate.

Whilst, there is a multitude of academic research on

this topic, CSR is still considered an umbrella term (Caroll, 1999) and knowledge about it in emerging countries is scarce. Jamali and Mirshak (2007) considered businesses as a provider of societal goods and being responsible for the community needs. Being context-specific (Mohan, 2001) and shaped variedly by the geographical context, political conditions, religious practices, values, and traditions, the core of these debates on CSR varies from country to country since the actors have diverse perceptions of the role played by these groups and their interrelationship. Jamali (2008) maintained that CSR has gained prominence for corporates within developing countries. The business and the academia face an impending challenge due to the limited knowledge of CSR in developing economies. Academia strongly feels that the use of Western CSR approaches within the Asian context leads to failure due to cultural differences (Jamali & Mirshak, 2007; Visser, 2008). The CSR literature (Jamali & Mirshak, 2007) frequently presume that organizations from emerging economies lag behind their western counterparts in their CSR agenda. Even within the Asian countries, CSR performance varies due to the extensive range of CSR issues being handled (e.g., education, environment, employee welfare) and multiple implementation modes (e.g., foundations, volunteering, and partnerships). One cannot generalize the academic research findings on CSR in the Asian region to the whole of Asia. Diverse CSR challenges along with a high variance of CSR initiatives are observed between countries in the Asian region (Chapple and Moon, 2007).

An undifferentiated application of existing Western CSR models to the Indian context is flawed. Research evidence in India is based on the historic observations where CSR predominantly was voluntary. There has been a dramatic transition in the role of business within the society in India, especially in the post-mandatory regime. The exchanges between India's traditions and its present integration with the world economy makes a



contextual study imminent both from the perspective of India emerging as a global player and the patently distinct cultural context from the west. The tradition of corporate philanthropy in India has always been celebrated (Mohan, 2001). Nonetheless, CSR research in the recent past has predominantly looked at methods of implementing CSR often leading to inconsistent findings. Empirical research has acknowledged variations between India and the West with regards to the perceptions, operationalization, and expectations of CSR (Mohan, 2001). Ghosh (2014) noted that barring some nuances of conventional global CSR, India principally retains its features. Post the law, research on mandatory CSR is an upcoming field of study. After being introduced in 2013 the law has been effective since the Financial Year 2014–15. Under this backdrop, the academic community has consistently pressed upon the need for additional research about CSR within leading Indian corporations. The law has made CSR more structured, objective, and measurable for companies thereby making them accountable. This has ushered the need for understanding CSR post the law.

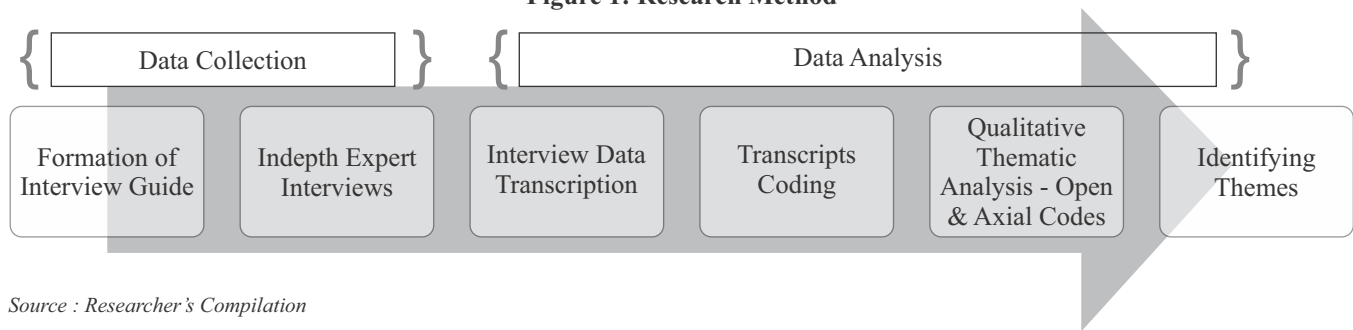
With this backdrop following are the research questions that need to be addressed

- What are the CSR approaches adopted by the corporates in the post mandatory environment in India?
- What are the benefits obtained by conducting CSR through any of the approaches?

With the above questions in mind, the following research methodology has been used

## Research Methodology

Research questions act as “statements that identify the phenomenon to be studied” (Backman and Kyngäs, 1999, Pg 149). This research aimed at gathering information, ideas, and perspectives about CSR from the managers directly involved in its execution and outcomes. Every research participant is bound to differ regarding their perspectives and expectations of CSR and the subsequent programs. The information collated needed to reflect the varied viewpoints of contributors; their realities, information, knowledge, and opinions about CSR. Hence, an interpretive approach was deemed fit for the study. Interpretivist approach facilitates an academic to enter into the world of his study subjects and become a critical element of the research process (Corbin & Strauss, 1998). To meet the research objectives and aid detailed examination of the CSR activities the methodology involved qualitative thematic analysis of in-depth semi-structured interviews of senior managers of Indian organizations. It successfully acquired a wide range of knowledge, opinions, and interpretations by drawing inferences from the data and understanding each participant's standpoint. Thematic Analysis provides the flexibility of design and allows themes to emerge from the data while emphasizing the underlying meaning of the text. Braun & Clarke (2006) noted that Thematic Analysis is comparable to Grounded Theory in terms of the method of coding 'themes' and the fact that data collection and analysis processes run simultaneously. The procedure comprises coding, categorization, and identification of patterns that provide different themes. It aided the identification of themes embedded within the rich textual data to form a reasonable and logical chain of evidence.

**Figure 1: Research Method**

Source : Researcher's Compilation

Data comprised of semi-structured interviews of 28 CSR managers spread across sectors like manufacturing, oil & gas, Banking & Finance, IT, FMCG, etc. It included both, Public sector undertakings (PSUs) and Private enterprises. Respondents were sought from companies with established CSR programs. Owing to their vast knowledge and nature of responsibility towards CSR of their respective organizations, the participants contributed a wealth of information. The respondents were approached via LinkedIn, a popular business networking website as well as through emails to their official email ids or telephonic calls. A detailed email describing the nature of the research and a request to oblige for a one-on-one interview was sent. A prior appointment was sought and the respondents were assured of confidentiality. Permission was taken to record the interview for transcription and future reflexivity. The details of the respondents and the

codes assigned to them are provided in Table 1. The focus of the inquiry questions was on investigating the opinions and experiences of the participants with the inquiry phenomenon. Responses were collected between June 2020 and November 2020. Due to COVID 19 restrictions in India, the interviews were conducted online using applications like Zoom or Google Meet. The interview lasted for 35 - 50 mins. The researcher indulged in taking handwritten notes and observations during the interview. Some of the respondents willingly shared supporting details like internal CSR films, photographs, other internal reports, or communication brochures of their CSR activities which formed a major source for a holistic understanding of an organization's CSR approaches and data triangulation. No new interviews were taken post data saturation. English was the official language for any communication and also during the interview.

**Table 1: List of Respondents**

Sr. No	Type of Organisation	Industrial Sector	Respondent Designation	Code Assigned
1	Private Company	Mining	Head - CSR	COR 1
2	Private Company	Engineering / Manufacturing	Sustainability & Corporate Social Responsibility Head (India, Oceania & South East Asia)	COR 2
3	Private Company	Insurance	GM – CSR & IR	COR 3
4	Private Company	Engineering/ Manufacturing	Head – CSR & Sustainability	COR 4
5	Private Company	IT	Head – CSR (Digital Inclusion)	COR 5
6	Private Company	Banking & Finance	Head – Corporate Social Responsibility	COR 6

7	Private Company	Pharma	Sr. GM – CSR	COR 7
8	Private Company	FMCG	National Manager – CSR & Public Affairs	COR 8
9	Private Company	Medical Technology & Life science	Head – CSR & Sustainability	COR 9
10	Private Company	Cement Manufacturing	Group President – CSR & Sustainability	COR 10
11	Private Company	FMCG	Sr. GM – CSR	COR 11
12	Private Company	IT	Head – CSR	COR 12
13	Private Company	Manufacturing	Head – CSR & Corporate Communication	COR 13
14	Private Company	IT	Director – CSR (Asia Pacific)	COR 14
15	Private Company	Industrial & Automotive Lubricants	GM – Corporate Social Responsibility	COR 15
16	Private Company	Pharma	Head – CSR	COR 16
17	Private Company	Media & Entertainment	Head – CSR	COR 17
18	Private Company	Manufacturing	Group Head – CSR & Sustainability	COR 18
19	Private Company	Automobile Manufacturing	Head - CSR	COR 19
20	PSU	Banking	President & COO	COR 20
21	PSU	Power Sector	Executive Director	COR 21
22	PSU	Mining & Refining	GM – CSR	COR 22
23	PSU	Power Sector	Chief Manager – CSR	COR 23
24	PSU	Power Sector	GM – CSR & R&R	COR 24
25	PSU	Oil & Gas	GM – CSR	COR 25
26	PSU	Oil & Gas	Sr. GM – CSR	COR 26
27	PSU	Banking	Director – CSR	COR 27
28	PSU	Mining & Refining	Head – CSR	COR 28

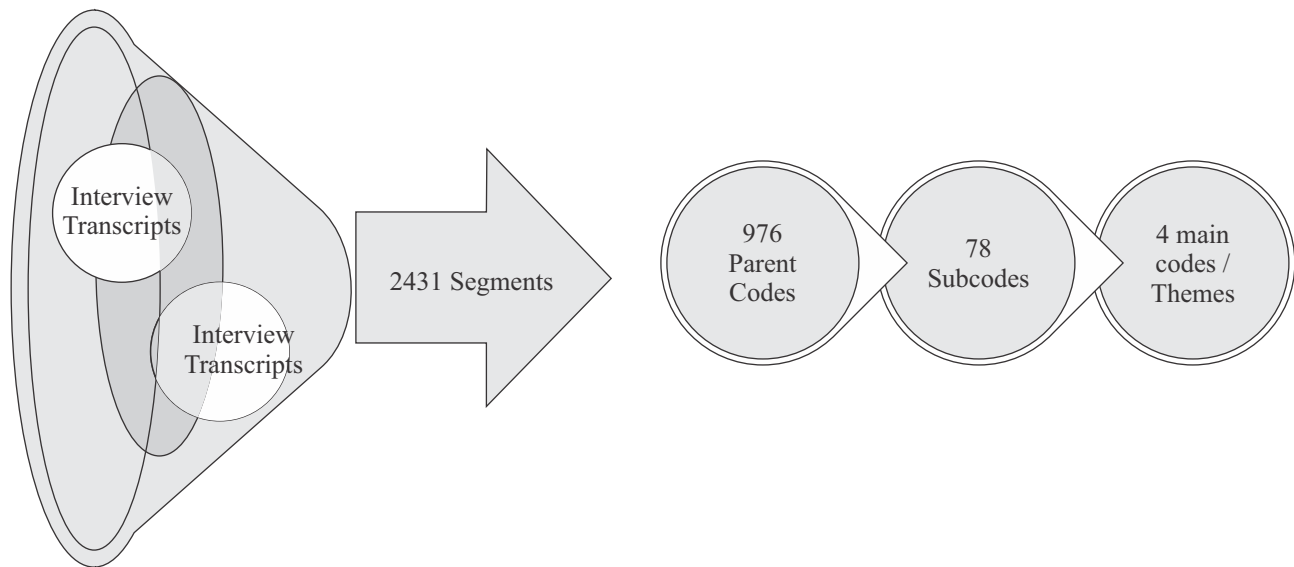
Thematic analysis helped provide answers to the imminent research question. Data analysis began immediately after the first interview. Each interview was transcribed verbatim. It helped the researcher to re-experience the interviews, capture the essence by understanding the mode and meaning and create memos and draw rich observations about each interview. The accuracy of

the transcripts was validated by concurrently hearing the recorded interview and reviewing the transcribed text. MaxQDA 20 software was utilized for analysis. A continuous comparison between the diverse sets of codes, resultant categories, written memos was performed during the process of data analysis. By comparing the emergent codes and the transcripts of the interview

the researcher identified the themes. The research questions acted as a guide to help identify the themes from the available data. Initially, 2431 segments were identified. Data coding was

performed by reading and re-reading the available data, resulting in 976 parent codes collated into 78 subcodes which were finally aggregated into 4 main themes.

**Figure 2: Coding Process**



Source: Researcher's Compilation

## Results & Discussion

There has been a visible transition in the understanding of the paradigm and the approach to CSR within corporate India. Mandatory CSR has created accountability and sensitised the corporates towards the raring social issues. The law offers an obligatory framework for CSR implementation and intends to transform the countrywide “viewpoint” on CSR. Historically the CSR-related activities have not been a part of the corporate strategy although the businesses in India have long been implementing them. The initial approach was more 'philanthropic', with only a handful of corporates or business families in India indulging in CSR. This research helped to identify the existing CSR approaches adopted by the Indian organisations and their resultant benefits. It has been successful in demarcating four approaches that companies in India are considering when they engage in CSR activities.

### *Philanthropy Driven Approach*

Corporate Philanthropy is one of the earliest forms of CSR in India which is still proliferating (Godfrey et al. 2017). It continues to influence CSR practices even in the post mandatory era. Several Indian business families which contributed to the wealth creation by fuelling the industrial transformation within the country were also driven by their inclinations towards the overall societal progress (Balasubramanian et al., 2005; Godfrey et al., 2017). Philanthropic orientation percolates within the firm and gives rise to the corporate value system based on the idea of giving. Community development through short-term projects like building schools, community halls, temples, funding education of the underprivileged children, etc is paramount in the philanthropic domain. Similarly, monetary assistance or donating equipment to public establishments, involvement in community initiatives, and supporting employee welfare and volunteering activities form part of



philanthropy. CSR is expended outside the organisation with attention on the external stakeholders like the communities and social welfare organisations. Philanthropic CSR is intended to create short-term social impact through ad hoc projects. It is rooted within the charitable practices of the family-owned businesses which flourished multifold post liberalisation. Dasra (2013) noted that 'individual', 'family' and 'corporate' philanthropy in India is as much interlaced as in much of Asia. The respondents revealed that the philanthropic CSR approach was rooted in their corporate value system by virtue of their founder's philosophy. The recent economic growth coupled with the increase in personal wealth has also fuelled the philanthropic approach (Godfrey et al., 2017).

COR 10 mentioned that “To understand the concept we have to go back to the founder of the group and his philosophy. The first company was founded in the year 1947. From then on, the philosophy of giving and caring has become a part of the group's DNA”

COR 20 said that philanthropic projects are a part of their CSR activities “We have been taking up philanthropic projects since 1973, much before the Companies Act, 2013 came into being. The law has only strengthened our focus on philanthropy because giving back to the society or taking care of the community has been a part of our value system for long.”

#### *Stakeholder Activism Driven Approach*

Stakeholder Activism driven approach is based on managerial perceptions where stakeholder concerns are prioritised for CSR activities. An organisation has multiple stakeholders. Maintaining a cordial relationship with all their stakeholders is imperative for the smooth functioning and growth of the organisation. Hence, creating a value proposition for the stakeholder is

integral. Shareholders' interests establish the normative appeal towards CSR.

Stakeholder activism is a means where multiple stakeholders can influence a corporation's behaviour by exercising their rights. The CSR approach of large corporations is formal and strategic, based on stakeholder relations (Jaykumar, 2016). Shareholders and/or investors needs form the focal point of corporations' attention. Also, importance is given to the requirements of their employees, suppliers/ vendors, government, implementing partners, and the communities around their area of operation. The trade unions also wield pressure on the organisations to comply with the CSR law. This approach focuses on developing accountability towards the stakeholders. Programs utilise the prevailing business models to provide social or environmental benefits thereby effectively supporting the company's operations across the value chain. The activities undertaken include lowering resource usage, waste, or emissions resulting in reduced costs. Investing in employee-driven activities like providing improved working conditions, health care, or education may result in higher productivity, company reputation along with employee retention. This approach looks at CSR as a business responsibility. The respondents spoke about multiple stakeholders and their influence on CSR compliance. Apart from the community which is the major stakeholder, the other stakeholders identified include the employees, top management, media, shareholders/investors, suppliers/ vendors, government, NGOs/implementing partners, trade unions/industry bodies, and lastly the customers.

COR 14 said that “When you look at the stakeholders, you got your shareholders or investors who are absolutely keen about what you're doing as part of the CSR. We need to report to them as well. Entire books of account have to be kept in open, and you have to keep your stakeholders informed. And that's why we chose what we chose, the program, the partners, etc. When

it comes to customers, we speak about responsible customer, a customer who is keener about sustainable products and so on.”

COR 11 mentioned that “The stakeholders are all those who are directly or indirectly associated with us as a business. One is a customer, second is investors, third is our community and fourth is government. They are interlinked.”

### *Compliance Driven Approach*

'Companies Act 2013' was a landmark event in the corporate regulatory context of India. It came into effect in India on '1<sup>st</sup> April 2014' with the attempt of making budgetary provision towards CSR and integrating it into the core business (Dharampala & Khanna, 2018). It stipulates public disclosure and any non-compliance is to be reported. It has made the board accountable to company CSR including its monitoring and evaluation. The Act mandates organisations to spend at least 2 percent of their average net profit earned during three immediately preceding financial years, towards their CSR policy. The area around the company's operation gets prominence over the others for fund allotment. This act attracted a lot of debate but has ensured the availability of steady funds for social development and pushed corporates who were not engaging in any kind of CSR activities earlier to do their bit towards society. On the flipside, the act also looks at “forced philanthropy” on the corporates (Subramaniam et al. 2017). Though the law brought a large number of Indian corporates under the CSR ambit, the activities undertaken include low-risk monetary donations towards social programs. E.g. Prime Minister Relief Fund (eligible to the Act's compliance) or one time donations to NGOs.

COR 3 categorically elaborated how their company looks at CSR from the mandatory lens “Basically, the way it started was the fact that we need to do it mandatorily. And we're doing around 2% of the

amount that we're supposed to do. There are years in which we don't end up doing that. Then it gets carried forward.”

COR 5 mentioned that “In India, for our team, CSR as a whole is around the law and the 2% profits and things like that.”

COR 9's perspective about the Indian understanding of CSR was that “Because of Section 135 of the Companies Act and schedule seven and all of that, in India, CSR is what happens when you earn profits.”

### *Shared Value Driven Approach*

Porter and Kramer (2011) pioneered the prevailing notion of Creating Shared Value (CSV). It is based on Porter's extensively known concepts of competitive strategy and competitive advantage. It is touted as a revolutionary way of looking at the interrelationship between business and society. It amalgamates an organisation's social priorities with business practices without diverting from its preliminary purpose of attaining profit (Porter & Kramer, 2011). It can trigger financial wealth, growth, and innovation for both, society and corporations (Porter & Kramer, 2011). It includes strategies and operating procedures which boost an organisation's competitiveness while concurrently progressing the social and financial situation of the community in which it operates. By refining the products and markets, restructuring productivity within its value chain, and developing congenial industry cohorts around the area of operation, organisations can create shared value. It represents a win-win proposition where an organization creates financial value for itself while still creating societal value by catering to the needs and challenges within the society. To create shared value corporations must integrate social perspective into their core business strategy. This includes creating multiple sustainable product innovations and reconceiving existing products and markets through the social partners, by productivity

restructuring within the value chain both upstream and downstream, and by aiding progress and livelihood creation through skilling and capacity building. There is multitude of examples within the Indian Corporates today who create shared value using their CSR projects. Participants' views revealed the slow but important transition of Indian corporates to incorporate the concept of shared value in their CSR strategy.

COR 14 said “Where we are now, CSR is instrumental in creating shared value. It is beyond charity. Our interventions ensure community development and it has created impact on the brand. I see more and more CSR interventions developing around the shared value concept today. It is making more sense for the business.” The respondent also went on to mention that “It could give you a competitive advantage over other brands.”

COR 18 mentioned how CSR innovations bring about shared value. “The Business community needs to strategize for achieving their CSR goals through shared growth. The innovation in the CSR initiatives and the foresight of the impacts created are the key founding blocks that a company can dwell upon.”

Thus, there are four main approaches to CSR in India. Even though the prevailing CSR activities are capable of being assigned predominantly to a single approach, the borders are permeable where activities under one approach seem to transcend and overlap with another approach.

### **Benefits of CSR Approaches to the Organisation**

The CSR discussions have seeped into the board rooms, one because of the mandate and two because of the growing emphasis on the business case of CSR. Kumar et al. (2001) proposed four models of CSR. They appear to be built on paradigms and theoretical approaches relevant to

Euro – American contexts (Dhanesh, 2015). The approaches outlined by this research are built on the current understanding of the CSR paradigm at the highest decisional level. They aim to assist companies to develop their CSR strategies by articulating these approaches further. It is built on the intersection of the accrued benefits for the community, available expertise & value system of the firm, and benefits for the firm to engage in the CSR activity. Not every CSR initiative may deliver business results. The aim is to integrate organisation's CSR with the business purpose and values. In doing so, CSR delivers multiple benefits both for the community and the organisation, which are a spill over and not the sole purpose of being.

This research outlines the fact that organisations practice multifaceted versions of CSR. Academic research has substantiated the link between firm performance and CSR (Margolis and Walsh, 2003). Other financial aspects like tax advantages, financial benefits, risk reduction capacity have been studied. Linkage of CSR is drawn to employee commitment, customer loyalty, reputation building, etc. Increasing interest is witnessed among consumers and investors for responsible businesses. The core business choices today are guided by the understanding of CSR through multiple approaches adopted by the organisation. The respondents have enumerated benefits accrued by the organisations based on different approaches. These include

- Gaining competitive advantage
- Attract and retain employees
- Improve employee productivity
- Attract investors/shareholders
- Increased customer trust & loyalty
- Get licence to operate/ Risk reduction

- Brand Building/ Build company reputation
- Receive tax benefits
- Receive awards & recognition for your work
- Become part of policy making

want to work for companies which are perceived positively in the society and for the planet”.

Apart from the above benefits, the respondents appreciated CSR law and the benefits accrued. The positive effects of the law outlined by the respondents include

COR 14 had to say that “When I speak about CSR in terms of shared values, it could give you a competitive advantage over other brands”.

- Helped to channelise the understanding of CSR for corporates.

COR 23 said that “Recently we received the National CSR award from the President of India for the project we have taken in Vijaywada, which is on watershed management”.

- Created accountability and increased involvement of the company board / management.

COR 2 mentioned that If we think as a society, the younger workforce, looks at an organization not just for the financial muscle, but also for how they are perceived in the society overall. Employees

- Helped in the development of the capacity of NGOs/ Implementing partners.
- Ensured sustainability of the CSR projects.
- Ensured steady funding for the NGOs.

**Table 2: Approaches to CSR**

CSR Approaches	Meaning	Senior Management Narratives	Benefits
Philanthropy Driven Approach	Represents voluntary actions that benefit the communities where they operate (Carroll, 1979). Consists of project based philanthropy which may or may not be connected to business.	“To understand the concept we have to go back to the founder of the group and his philosophy. The first company was founded in the year 1947. From then on, the philosophy of giving and caring has become a part of the group's DNA”	1.Provides Social Licence to operate 2.Goodwill among the community 3.Risk Reduction
Stakeholder Driven Approach	Focusing the priorities of the stakeholder, both internal & external (Freeman, 1984; Carroll & Shabana, 2010)	“The stakeholders are all those who are directly or indirectly associated with us as a business. One is a customer, second is investors, third is our community and fourth is government. They are interlinked. We prioritise our CSR efforts towards these stakeholders.”	1.Brand building / Reputation 2.Attract employees 3.Attract Customers & build trust 4.Attract investor

Compliance Driven Approach	Considers CSR as a legal mandate towards social developmental programs (Dharampala & Khanna, 2018; Subramainiam et. al, 2017)	“Basically, the way it started was the fact that we need to do it mandatorily. And we're doing around 2% of the amount that we're supposed to do. There are years in which we don't end up doing that, and then it gets carried forward.”	1.Channelized the understanding of CSR 2.Created accountability for company board 3.Capacity building of NGOs 4.Sustainable CSR projects. 5.Steady funding for the NGOs
Shared Value Driven Approach	Based on Porter & Kramer (2006; 2011) shared value model. Has strategies that enhance the competitiveness of a company while advancing the economic and social conditions of the community in which it operates.	“CSR is instrumental in creating shared value. It is beyond charity. Our interventions ensure community development and it has created an impact on our brand. I see more and more CSR interventions developing around the shared value concept today. It is making more sense for the business.”	1.Provides Competitive Advantage 2.Long term profit maximization

Source : Researcher's Compilation

## Conclusion

The current paper has been successful in identifying the CSR approaches adopted by companies in India and categorizing them into 4 types which include The Philanthropy Driven Approach, The Shareholder activism driven approach, The compliance Driven Approach, and The Shared Value driven approach. This outlined agenda is aimed at helping the corporates across India to engage in their CSR policies, by delving further into these elements as well as by contemplating them in coherence with their organizational vision and mission. It also provides possible directions for CSR activities which can help companies to guide their CSR efforts. It highlights the important role of CSR managers in ascertaining the direction of CSR within and outside the organization. An effective CSR phenomenon occurs at the intersection of the business with society by identifying benefits to a community as well as the benefits derived by corporations by involving in such activities, and the corporation's capacity to create value by employing these strategies on the ground. This research has also been successful in providing

details of the accrued benefits to the organization. The conclusions derived in this research article are intended to provide both the academia and the practitioners critical insight into CSR. Practitioners like the managers, employees, board members along shareholders of the company stand to benefit from this germane article. The number of exploratory researches accounting for all the relevant parameters of CSR is sparse. This particular research article seeks to plug the gap in the literature, especially during the post mandatory phase in India, and outlines that the CSR practices followed by corporations are multifaceted and display an entire range from philanthropy to shared value creation. The research also reflects on the fact that companies need to integrate their business strategies and goals with CSR to create an efficacious plan of action that is in line with the values and purpose of the organization. The research has been successful in creating a strong framework under which the multiple approaches towards CSR of the Indian corporates can be easily categorized. The fact that the research participants did not consider the mandatory law of CSR as a decisive factor on whether or how to implement CSR is noteworthy. The CSR study within the



corporate sector in India is an attractive and flourishing area of research. This article has been successful in identifying the approaches through the managerial lens.

However, since this study is based on the context of India it limits the geographic and socio-economic background of the study. Another, subtle limitation to the study is the fact that the COVID – 19 pandemic situations compelled the interviews to be conducted through an online platform. The current study provides interpretive analysis of the CSR paradigm since it used an exploratory method and is qualitative. The invited participants presented their opinions on how they interpreted the concept and their understanding was analysed. Meaning-making of the respondent views was done by practically scanning the multi-level literature and its deliberation both nationally and internationally. The study sample is limited to a small group of corporate CSR managers. Nevertheless, data was obtained from the interviews of CSR managers within corporate India who were dominant communicators and operative at the senior management positions within multiple sectors. The semi-structured interviews presented a gamut of attitudes and perceptions of the participants on the CSR paradigm which were intensive and befitting the interpretive constructivist agenda of the research.

The forthcoming studies can delve into the understanding of CSR approaches from the perspective of respondents in the CSR consulting domain and also from the perspective of the NGOs or implementing partners in India. Research can also look at the CSR approaches of the Micro, Small & Medium Enterprises (MSME) in India. An extension of this research can be done by quantitative validation of the above findings with the Indian corporate sector. Another opportunity to extend the research lies in identifying the underlying rationale for adopting each of these approaches. Thus, this research article has

presented a rich, contextually grounded interpretation of the CSR paradigm.

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