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ABSTRACT
CSR in India is just coming into existence. It is still one of the least understood initiatives in the Indian development sector. In 21st century CSR would be used as competitive tool. The purpose of this study is to develop a better understanding of corporates use of CSR to accelerating social innovation, business-society relationships. In this research paper we focus on how CSR would help corporate to accelerate social innovation, how new CSR law help in crafting future business-society relationships. Investigation finds that CSR would helps society through SIAP (Social Innovation Accelerating Programme), improve business-employees relations by following workplace practices, training; safety, health and wellness, and helps to corporate building good image, creating intangibles assets.

Keywords— Corporate Social Responsibility, Business-Society relationship, Social Innovation.

I. INTRODUCTION

In India corporate sector play important role in economic development & GDP share. Given the economic and industrial importance of corporate sector, they also have a considerable role and impact when it comes to environmental issues—such as pollution and social issues—such as income, working conditions and the working environment. Therefore, in light of the current emphasis on companies’ responsibilities—often termed Corporate Social Responsibility (CSR)—and the impacts of CSR, corporate sector play a key role. Companies Act 2013 provides a new provision which giving impact on corporate India CSR policy. According to clause 135 of bill, that deals with CSR provisions companies with 500 crore net worth or 1000 crore turnover or 5 crore per year profit will have to constitute CSR committee having three or more directors and allocate at least 2 % of their three year annual profit towards CSR activities. It is expected this will increase the CSR amount by approximately 20000 crore, and apply on 16000 companies.CSR is the decision-making and implementation process that guides all company activities in the protection and promotion of international human rights, labour and environmental standards and compliance with legal requirements within its operations.

As the specific understanding of CSR, we used approach: (a) protection of physical environment, (b) improve the working environment and (c) labor standards/working conditions, including standards and systems, and (d) donations to the community in normal and in disaster events. CSR is defined in two ways as an overall analytical and descriptive understanding of CSR. We used: “an umbrella term for a variety of theories and practices all of which recognize the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g. within supply chains); (c) that companies need to manage their relationship with wider society, whether for reasons of commercial viability, or to add value to society.” (Blowfield and Frynas, 2005, p. 503).

II. OBJECTIVE OF STUDY

The following objective guided the work:

a) To gain understanding the role of Indian Companies in social sector innovation & craft future business-society relationships.
b) Investigate the new CSR provision as an opportunity for companies.

III. LITERATURE REVIEW

The Corporate Social Responsibility (CSR) movement has gathered great momentum over the past number of years (Crawford and Scaletta 2005). CSR is a broad concept and it is still looking for a common definition.

A. Definition’s

De Davis and Blomstrom (1966) Social responsibility refers to a person’s obligation to consider the effects of their decisions and actions on the whole social system.
Baker (2003) CSR is about how firms manage business processes to produce an overall positive impact of the firm on society. The World Business Council for Sustainable Development (WBCSD) defines, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

B. CSR Pyramid Theory

One of the most used and quoted models is Carroll’s Pyramid of Corporate Social Responsibility. Carroll (1991) has proposed a comprehensive definition embracing four kinds of social responsibilities for business: economic, legal, ethical and philanthropic. The pyramid of CSR is a tool for measuring the level of CSR at the firms based on how they fulfill their responsibilities towards the society.

C. CSR and Public Relation

Dalia and Rosa, (2009), The Role of Public Sector in Corporate Social Responsibility Development in Lithuania. This study emphasizes to analyze the concept of Corporate Social Responsibility and to identify the main driving forces of CSR development in the public sector, and the main barriers to this way. The questionnaire was prepared for the survey based on the main assumption about the role of the public sector in promoting CSR and revealing the mandating, partnering and endorsing role of local governments in CSR development in Lithuania. Also questionnaire related to the main barriers of CSR development and measurements to overcome these barriers were incorporated in this study. The finding shows the Lithuania local bodies play a minor role in partnering, mandating, facilitating and endorsing CSR in the country and the main barrier for CSR in the country is the lack of information and knowledge, lack of financial resources, human capacities and resources that to be active leaders in promoting the idea of CSR in society.

D. CSR and India

Indira, and Siddaraju, (2009), Do Corporation have Social Responsibility: A case study of TVS Motor Firm. This study mainly focuses on the CSR objectives of TVS firm and its capacity to identify social issues, social relevance of the issues addressed and the implementation strategy. Primary data was collected from the beneficiaries located in Sindurally, Dodadahally, Byathahally, Chikkakanya and Doddakanya village of Sindhuvally Grama Panchayath Mysore taluk and local Panchayat member and secondary data was collected from the records of TVS Firm. It can be observed that promotion of human development and protection of environment are the major issues addressed by these firms through CSR institutes. This study explain different area that TVS do CSR activities like Agriculture’s awareness programs for farmers and some activities for optimize amount of product such as soil testing.

Saboji, and Indira (2011) An analysis of corporate social responsibility of Indian firms. The globalization of the world economy and the related trade liberalization affected on the rapidly transforming Indian society. Corporate social Responsibility (CSR) refers to the relationship between business and society and corporation acting in the economy. The purpose of this study is to evaluate the CSR in India. Therefore Infosys Technologies Ltd has been selected. Art and culture, Education, Healthcare and Rural up liftment initiatives have been chosen to identify its CSR performance. For measured the status of CSR in India is the study conducted by Karmayog (2008). Based on the CSR activities the necessary and, sufficient conditions were fixed for a company to reach different levels. Then explain of CSR initiatives in Infosys firms.

IV. RESEARCH METHODOLOGY

This is fact finding study. For this study we use Secondary data collected from books, reports, internet, news papers, journals, articles, research papers, investigations, we undertook a literature review in which we assessed the knowledge in the field of CSR.

V. FINDINGS

A. The role of Indian Companies in accelerating social innovation & craft future business-society relationships:

The world is in the midst of an un-precedented churn. Political upheaval, economic volatility, technology disruption and climatic changes have made the poorer starta of society more vulnerable than ever before. Over 30% of India’s population of 1.2 billion is living on less than $ 1.25 per day. There is growing sense that old paradigms of government aid and private philanthropy are simply inadequate to meet critical challenges of India in 21st century. What’s needed are innovative solutions that foster sustainable economic growth.
There has been a phenomenal surge of interest in social innovation globally as a way to achieve sustainable economic growth.

1) Social Innovation is helping solve some of the world’s most pressing problems with new solutions, such as distance learning, mobile money transfer, livelihood training, techno-farming, and healthcare. Social Innovation Accelerating Programme (SIAP) followed by companies/firms helps social enterprises apply innovation to take a leap into large-scale impact. SIAP comprises the six ingredients:

a) Mindset for sale- Involves a deep diagnosis to understand the organisation’s readiness for an accelerating journey.

b) Co-created innovation challenge- Once the larger challenge and innovation goal are identified, the SIAP team co-owns the goal with the organisation.

c) Capability for insight, the real blocks to scale- Consumers are important, for e.g. why someone from a poor community will pay for the product? Fresh insights emerge when a team does a deep dive into a challenge area, with an open mind, willing to unlearn and relearn.

d) Capability to prototype- Ensure that insights get covered into ideas, ideas into prototype, and prototypes into learning and execution.

e) Organisational capacity building (people, resources and operations) - Once the right insights are found, an appetite is created and the organisation finds its strength to scale.

f) Access to growth capital- Based on the nature of the model, organisations are linked to new business opportunities, institutional funding, beneficial platforms and government schemes.

Even as corporate social responsibility is soon to be made mandatory in the country, companies are now approaching PR (Public Relation) agencies to help them design a CSR programme that would do the needful while keeping their parameters in mind. CSR programs here are now taking on a more organised form.

2) Businesses engaging in community relations or community involvement typically conduct outreach to the community aiming to prevent or solve problems, foster social partnerships, and generally contribute to the community quality of life. A key priority for a socially responsible business is to develop and maintain strong and mutually beneficial relationships with its community. Businesses that take an active interest in community well-being can generate community support, loyalty and good will. This is often referred to as building your “social license to operate”, an important business objective for any business. A few key areas which any business might wish to consider include the following activities:

a) Accessibility- An important community involvement objective is to ensure your premises, products and services, and communications are free of barriers, enabling all people to use them independently, regardless of one’s ability, gender, age, ethnic background, etc. It means that everyone can actively participate in community life and can be recognized as having something to contribute.

b) Social Hiring- Social hiring is a commitment on the part of an employer to proactively recruit employees with employment needs. Companies seeking to make a direct and meaningful contribution to poverty reduction and economic and social inclusion may be interested in opportunities to hire people who face labour market barriers because of a physical, mental or developmental disability, mis-matched skills, lack of work experience or skills, long-term unemployment, lack of credential recognition, age, culture or language, etc.

c) CSR and Health- Health Sector clearly stands out as a leader, when discussing the CSR issues. There are numerous epidemic diseases and other serious diseases in the world which needs close attention, both from public sector and private sector (i.e. HIV/AIDS, Avian Influenza, and etc.). Schedule VII of the new company act 2103 consist special activity regarding Health (Combating HIV-AIDS, malaria and other diseases). This will uplift the public-private partnerships (PPP) to take healthcare programmes, private sector players to come out of ‘their comfort zones’.

d) Stakeholder Engagement- Stakeholder engagement is the process of listening and talking to your stakeholders – typically employees, customers and community members about their issues, concerns and needs, and also the business’ important directions and significant decisions. This will help to better meet their needs and help you to develop more robust and lasting business outcomes. Basically, stakeholders are those who have a direct or indirect stake in your organization and its decisions and activities. Stakeholder engagement can help you improve communication, facilitate buy-in on projects, generate community support, and tap into additional information, data and ideas. It can secure your “social license to operate”.

B. Investigate the new CSR provision as an Opportunity for companies:

The new law to allocate 2% of profits to Corporate Social Responsibility (CSR) spends, which kicks in form April 1st 2014, is therefore an opportunity for companies barring a few exception to alter the old order of rhetoric, symbolic gestures and craft a new, meaningful future in business-society relationship. It’s an opportunity for companies to create or shore up a bevy of intangibles- reputations, brand image, trust or the capacity of innovate to build partnerships all recognised as critical drivers of value creation in today’s complex and fluid business environment. Intangibles do not manifest on balance sheets and P&L statements. They are not adequately measured. Yet, Intangibles are overshadowing tangibles assets as source of strength and sustenance in difficult, trying situations.

CSR therefore can be seen as an investment in intangibles. Human resources in an area in which the CSR intangibles construct can have a considerable sway. It would make employees better citizens, at their homes and in the
communities they live in, make them better workers and managers on the shop floor, in the field with customers and stakeholders, in R&D labs. These employees would become a competitive advantage of companies.

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