



Corporate Social Responsibility-A Voluntary Action is required

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Abstract:

Corporate social responsibility means responsibility towards people and employees within the firm or people who are affected by the acts of the firm. It can also be referred to obligation of businessmen to pursue those policies /decisions which are desirable in terms of objectives and values of our society. In the developed countries, the pioneers of industrial revolution started the social work for the purpose of easing their conscience in developed countries. Sometimes corporate social responsibility activities involve eliminating boundaries between capital and labour class through profit sharing policy or sometimes used for removing TU rivalry. In India businessmen /merchants help people at the time of case of epidemics, calamity or any disaster by founding the temples and religious institutions. But with the coming of British raj Indian capital class also became more business oriented and want rapid social- economic growth. Cheaper labour resource and raw material supported the more business growth.

Keywords: *Businessmen, Corporate social responsibility, Market*

1. Indian Context

During colonial period, Tata, Birla, Modi, Godrej and Bajaj were taken serious steps for social and economic well-being of the people. Birla's founded temples all over the country which bonded people together religiously and emotionally also. They also established health clinics' for the poor and downtrodden. You would hardly found any industrial disputes in the premises of Tata's and Birla's since more than 100 years. They always kept in mind the labour issues and have a built in mechanism to resolve these as soon as emerges and know how to be effective and efficient in the market.

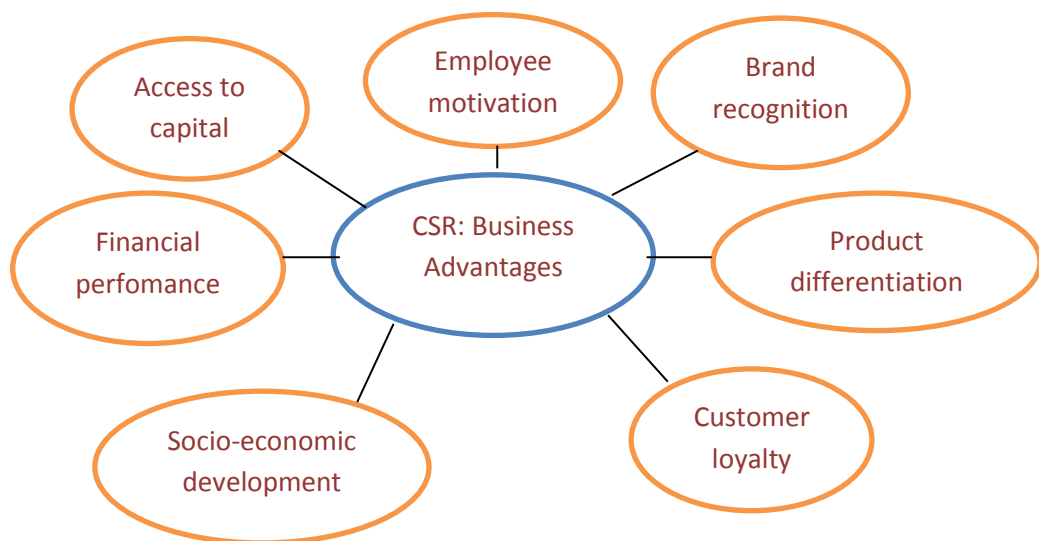
Jamshedji Tata has introduced health schemes for labourers and for their families and maternity schemes for women employees. They have also set up schools, universities and hospitals for the people and their children living in the surrounding of their industrial premises to promote their welfare reasonably.

During the independence movement, Gandhiji gave the notion of trusteeship i.e. Corporate manage their wealth to benefit common men. Many schools, colleges and research institutions were opened up. Several schemes and policies were introduced for social and economic backward people. But after independence, India became a constitutionally bound democratic country, Government of India's role and responsibility was increased towards people and many schemes and programs were came up like PMGSY, SJGSY, LADLI, DWACRA etc. India has developed as a nation with a mixed economy. Number of new firms were setting up, more and more labour issues were emerging, at the same time, role of trade unions had taken a centre stage to settle industrial disputes.

Everyday new laws and regulations were imposed upon firms, thus after 1990s, with the adoption of liberalisation, privatisation, and globalisation government has taken a forward seat and role of public undertakings was grown. Private sector on the one hand adopting and competing with international firms and standards, and on the other hand facing stringent domestic regulations like Wage Act, Factory Act, Trade Union Act and Industrial Dispute Act etc. were introduced. That led it to malpractices and more profit oriented firms took away them from its social responsibilities and thus increased the role of tribunals, courts and adjudication mechanism.

Globalised business transformed the Indian market which was a producing ground with cheaper labour and ample raw material for international firms. At the same time western firms becoming concerned about the labour and environmental laws in India and creates an obligation on the part of MNCs and domestic firms also to pay close attention to international norms of UNO, WTO, ILO etc. and UNHRC and National Human Rights Commissions also becoming vigilant.

Fig. 1: Some Examples in India affects various aspects of business



Thus there is a need for voluntary action on the part of firms and beyond national laws and they should commensurate with keeping in mind the interests of stakeholders. Though some has taken it seriously likewise..

- Azim Premji started educational schemes
- Infosys took many welfare schemes.
- Vedanta took responsibility for development of 36 villages and care for children and basic needs like food shelter and occupation.
- Sulabh International has firstly taken initiative to provide basic services for the affected people of Utrakhhand disaster.
- Hope is working for food shelter, medical schemes for street children.
- Microsoft is transferring funds to govt. for the welfare of the people.

- GSK started health check-ups for tribal people.

Thus today firms spent more on human policy on training, performance appraisal, recruitment and more on middle level managers but still there are still poor labour policy, safety issues for women, pension issues, wage issues etc. Too many labour issues are still pending in the trial courts, tribunals. The ratio of CSR is less than they receive from the society. Still other firms need to understand their responsibility towards the society and follow the traditional legacy of the big business houses. Now it's the time for the voluntary action on the part of each and every firm whose business policy affects the interests and daily life of surrounding and environment i.e almost each and every firm operating in the social environment.

- Marti Suzuki is not able to manage their disputes and having poor labour management relations and we know how many labour hours they lost which directly affects their efficiency and effectiveness.
- Honda also faces many strikes and protests. Giant firms do not take care the water pollution by their chemical plants.
- Union carbide was to satisfy the aspirations the affected people of India.
- In Japan still people protecting against the Fukushima Nuclear Plant, Kudankulam project have created a fear among the Indian people.

| Value | Purpose | Impact | Benefits |
|--------------------------------------|--|--|--|
| CSR as value creation | Innovative and promotes sustainable business model | Fundamental operational and strategic impact | <ul style="list-style-type: none"> • Shared business valuation • Promote competitiveness • Develop human capital • Integrates business into community |
| CSR as risk management | compliance | Moderate strategic and operational impact | <ul style="list-style-type: none"> • Mitigates operational crisis • Mitigates operational impact • Support external relational ships |
| CSR as corporate philanthropy | Providing funding and skills | Little strategic and operational impact | <ul style="list-style-type: none"> • Corporate philanthropy and sponsorships • Corporate competency and other business assets not fully utilised • Limited fund availability • Misalignment between capital and asocial responsibility |

2. Conclusion

Now they should conscience their responsibility towards the society and environment from whom they get resources and material for their business. Few has taken social investing as reputational game and giving less importance to social norms for their wealth creation. Posco Company faces severe criticism for environmental issue from local people.

Though govt. has made it mandatory for to spend a 2% of net profit for corporate social norms by the firms whose turnover is above a certain limit but still a large number of firms are out of these criteria.

In telecom sector, few MNCs have taken serious steps viz. Vodafone's Happy to Help campaign. Airtel's service for women to inform their parents in emergency situations. Vodafone is the first to set up special grievance cell form women in offices and fix working hours for their safety, but our

political-democratic system is also a hindrance to effective mechanism of smooth function of the policy programs launched by the public sector or by the corporate sector.

Thus, A Voluntary Approach is required on the part of companies to understand and make integrated policy for their employees as well for themselves and specially for them who sacrifice their life and blood for the business growth of companies. Social Auditing, Human resource Accounting should be promoted.

Finally we would say, **that ‘the cost of behaving’ better today than ‘the cost of being ashamed’ later.**

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