Understanding the Synergy of Carroll's Model with the Global and Indian Corporate Social Responsibility Guidelines: A Conceptual Study

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***Abstract*- CSR is a much discussed topic in today's world. There are different national and international organizations that have devised guidelines for assessing CSR activities of different companies. There is also a pool of researchers who are working in CSR domain to understand how theoretical constructs can be applicable to corporate. One of the generalized models of CSR which most scholars refer to is Carroll's four layered pyramidal model. The objective of this paper is to understand whether there is sync between Carroll's CSR model and the guidelines proposed by national and international organizations. The methodology of this paper would be to undergo a thematic analysis of national and international guidelines and take an inductive approach to understand whether the parameters fit into the theoretical constructs as proposed by Carroll. This paper would take into account Carroll's model of CSR and National Voluntary Guidelines on Social, Environmental & Economic Responsibility of Business (NVG), year-2011-12 and Global Reporting Index (GRI), year 2000-2011 guidelines. The findings of this paper will help to identify the gaps between conceptual level and implementation level from the analysis of guidelines such as GRI in the global context and NVG in the Indian context. The final analysis will enable researchers in understanding whether the theoretical approach of CSR as presented in Carroll's model has practical relevance to corporate.**

Key Words: CSR, Triple Bottom Line, Philanthropy, Ethics, Sustainability and Stakeholders.

I. INTRODUCTION

Corporate Social Responsibility is a much discussed topic in today's corporate world. As per statistics are concerned, more than 90% companies in matured markets like, USA and UK have already been into CSR, and the Europe average is above 70%[1]. CSR is the most laudable buzz especially in India after the declaration of Ministry of Corporate Affairs Notification on Corporate Social Responsibility Policy Rules, 2014[2]. In the year 2011, 20% of Indian companies followed CSR Reporting but the number increased to 73% in the year 2013 and the Asia pacific average is 71%.[3] The big and medium sized companies are focusing on CSR to oblige the stipulated Companies Act that to spend 2% of their average profit over the past 3 years for CSR. On one hand, the numbers of companies are hugely engaging through CSR activities where as on the other hand, academicians and scholars need to search the linkage and the possible gaps between the theory and practice of CSR.

The paper lays out the theoretical and conceptual understanding of CSR through the extensive literature review. Further it analyses the Carroll's model of CSR with the synchronization of relevant models and literature. This paper extensively narrowed down to analyze and locate the sync between Carroll's Model of CSR and, NVG and GRI guidelines. The objective of this paper is to understand whether the frame work of those guidelines is in sync with Carroll's model of CSR, which can help companies to develop a proper structure for executing their CSR activities. The final analysis would provide appropriate knowledge inclusion to researchers in understanding whether the norms as mentioned in the guidelines are reflecting the theoretical approach of CSR as presented in Carroll's model.

II. LITERATURE REVIEW

An attempt to conceptualize "Corporate Social Responsibility" started with Bowen (1953) who defined social responsibility "refers to 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". Theodore Levitt (1958) opined, "Corporate welfare makes good sense if it makes good economic sense- and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door". Walton (1967), a scholar in Business and society, defines "Corporate Social Responsibility" as "in short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and the society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals".

Different scholars across the globe stressed on how "Corporate Social Responsibility" can bring about social change and address to a larger social good through different means and how they get reported in the annual reports of the companies (Nichols, 1969; Backman, 1975; Bowman and Haire, 1975; Davis&Blomstorm, 1975; Holmes, 1976; Jones, 1980, Marrewijk and Were, 2003; Willard, 2002; Frederick, 2006, Crane, et al, 2008).

[1] The KPMG Survey of Corporate Responsibility Reporting 2013. http://www.kpmg.com/global/en/issuesandinsights/articlespublications/corporate-responsibility/pages/default.aspx

[2]For the details of notification refer to http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification2_2014.pdf

[3] Refer to footnote-1

Reputed scholars like Teach (2005) were of the opinion that “Corporate Social Responsibility” is “a major secular development, driven by a long-term reevaluation of the role of corporations in society”. But Teach is also skeptical about the fact that “Corporate Social Responsibility” will not be successful until mainstream companies begin reporting some aspect of “Corporate Social Responsibility” as being critical to the company’s past or future performance.” Matten &Craine (2005) were of the opinion that “Corporate Social Responsibility” is executed for “self-interested reasons and hence their ethical contributions is somewhat tarnished”. However, according to Althusser (2005), “although ethics is one of the ways in examining “Corporate Social Responsibility”, on its own it is insufficient, because it usually closes down the social and political nature of organizations which are embedded in practice.”

The term “Corporate Social Responsibility” gained prominence from 1950 and has shown that whenever there has been a lack of social responsibility by the firms there has been movements affecting production (Ablander, 2011). It is also observed that this concept had shifted its meanings across time from stockholder benefit to shareholder benefit and from the questions of ‘‘why’’ to ‘‘what’’ to ‘‘how’’ corporate can maximize value for the firm and society (Basu and Palazzo, 2008). In a similar fashion Naylor’s definition on CSR is zeroing in on the act of managers should be beneficial to the interest of organization and society as a whole (Duglas et al 2004). To add on this Commission of European Council (2001, p. 6) defines CSR means companies voluntary contribution to a better society and a clear environment, focuses on green environment (Wadhwa and Pansari, 2011).

These are the schools of thought gives priority to social welfare over the ‘only profit’ is the motive of business. However another schools of thought advocates ‘profit’ is the first priority of business. To suffice that Milton Friedman (1970) stated, “There is one and only one responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competitions, without deceptions and fraud”. But he has not mentioned or advocated about social responsibility of corporation. He pointed out ‘free competitions, without deception and fraud’, if we look at this part of statement which is linking to fair practice of business or healthy competition. But nowhere had he mentioned that ‘social welfare’ is the responsibility of corporation. Contrary to his statement, Morrell Heald (1970) was of the opinion that the “Corporate Social Responsibility” would actually deal with subjects such as “philanthropy, employee improvements (working conditions, industrial relations, and personnel policies), customer relations and stockholder relations.” Supporting Heald, Keith Davis (1973) opined that “Corporate Social Responsibility” encompasses “consideration of issues beyond the narrow economic, technical, and legal requirements of the firm.” To add on this Lord Holme and Richard Walts (2000) focused on two major aspects while defining CSR, continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life including employees, their family, local community and society at large. The concept of ‘Triple Bottom Line’ emerged in late 1990s and has become increasingly “fashionable” in corporate world and NGOs. According to Norman and MacDonald, (2003), ‘Triple Bottom Line is synonymous with CSR’. Both the concepts approach to business is environment, society and economic development.

Since its inception, multiple arguments have been raised to define the concept of “Corporate Social Responsibility”. Davis (1960) tried to balance both sides of the debate by stating on the one hand that decisions and actions taken by the firm should go partially beyond the firm’s direct economic or technical interests but on the other hand he also states that “some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long run economic gain to the firm, thus paying it back for its socially responsible viewpoint.” These days this is a long run strategy to keep everybody engaged from stakeholders to customer for a sustainable growth of a business. However, Milton Friedman’s schools of thought in 1962 stuck to only economic responsibility by the firm by suggesting, “Few trends could so thoroughly undermine the very foundation of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.”

This point of view has been critiqued by both Paul Samuelson and George Steiner stating that although economic responsibility forms a major part of a firm’s responsibility, the firm cannot ignore the other social responsibilities that it has towards society (Paul Samuelson, 1971; George Steiner 1971).In addition to these scholars, Johnson (1971) proposed a conventional wisdom definition of “Corporate Social Responsibility”, “A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities and the nation.” His second definition, dealing with profit maximization, states that “businesses carry out social programs to add profit to their organization.” His third definition dealing with utility maximization, states that “the prime motivation of the business firms is utility maximization; the enterprise seeks multiple goals rather than only maximum profits.” Finally his fourth definition dealing with lexicographical view of social responsibility, states “the goal of the enterprise, like those of the consumers, are ranked in order of importance and the targets are assessed for each goal.” This is how today corporations look at CSR for a sustainable growth. Prakash Sethi (1975), a renowned scholar in this field, considers social responsibility as going beyond the concept of social obligation which is economic and legal only. He argues that “social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectation of performance."

Different debates regarding the concept of CSR have moved beyond Milton's understanding of profit as the primary motive of business responsibility. Summarizing the debate, Carroll (1979) defined "Corporate Social Responsibility" as "the social responsibility of business encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time". According to Baxi et al (2012), "in the Indian context, four models of "Corporate Social Responsibility" have emerged, which is very close to Carroll's model. Only difference is this model does not give two different spaces for ethics and philanthropy". In Baxi's model, ethical section of model is based up on public welfare. They spoke about the ethical model of public welfare, the legal requirements designed by the state, liberal responsibility limited to private owners and the responsibility to stakeholder which would cater to their needs and the needs of the community. Baxi was of the opinion that although multinational corporations have generated growth and employment, however, it has led to the exploitation of these economies. This trend is more pronounced in the area of environmental concerns. The generally weak environmental regimes in these countries allow the MNCs to function without proper environmental safeguards. In order to safeguard the multinational corporations from public accusation of labour and environmental exploitation, United Nations has devised "Corporate Social Responsibility" tools and indulged multinational corporations to accept them (Baxi, et al. 2012).

A close look at the models of "Corporate Social Responsibility" showed that the four layers of Archie Carroll's pyramid were being satisfied. This shows the reliability of using Carroll's model as the base of this research. Carroll's (2008) point of view was that there are five critiques of Corporate Social Responsibility practices in firms. The first argument is the classical economics critique which says that business has only one motive that is to maximize profit of its owners. The second argument is that managers in business organizations are not trained for "Corporate Social Responsibility" activities; rather they are equipped in finance and operations. The third argument is that "Corporate Social Responsibility" may dilute the actual business aim of the company. The fourth argument is that business already has so much of power in terms of economics and technology. The social activity would be adding another power to its jurisdiction. The fifth argument is that producing socially responsible products may increase the cost of the product and eventually decrease the global competitive advantage of the company. Out of those Carroll's five critiques are linking two major schools of thought which have been emerged in our previous discussion. One is maximizing the profit; the first four points come under this category directly or indirectly. And the second one is ethical business/ social responsible business which can enhance the business process for a long term benefit.

These are some of the debates of "Corporate Social Responsibility" in different sectors which make research on this topic interesting. However, in order to understand how these arguments influence the multinational and Indian companies, it is required to delve into Carroll's models of "Corporate Social Responsibility", and analyze the standard guidelines as laid down by National Voluntary Guidelines on Social, Environmental & Economic Responsibility of Business (NVG), year-2011-12 and Global Reporting Index (GRI), year 2000-2011 guidelines in national and international context respectively to understand whether or how much these guidelines are following the conceptual constructs as laid down by Carroll. Hence the paper will link Carroll's model of CSR to the guidelines and see how much synchronization is prevalent and whether there are any gaps between theory and practice. Thus, this paper first seeks to understand Carroll's model in depth and look into the guidelines for validation. Before *Carroll's model of CSR*, is discussed, there is a need to understand the model developed by Committee for Economic Development (CED).

A. *Models of Corporate Social Responsibility*

Committee for Economic Development (CED) in 1971 made the first attempt to develop a model of "Corporate Social Responsibility". The committee defined "Corporate Social Responsibility" through three concentric circles: "the inner circle includes the clear cut basic responsibilities for the efficient execution of economic function". The second is the "intermediate circle encompasses responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities." The third is the "outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more broadly involved in actively improving the social environment". Although this was the first attempt to create a model, words like economic, ethical or philanthropic were still in vogue. Carroll (1991) made the first attempt to develop a pyramidal structural model for "Corporate Social Responsibility".

1) Carroll's model of CSR: Carroll (1991) developed a model for "Corporate Social Responsibility" and it became the base of almost every research in "Corporate Social Responsibility". The model has been successful in capturing different dimensions of "Corporate Social Responsibility" through the formation of a pyramid. Carroll's model is important in the sense that it is an amalgamation or summation of different models, definitions and the observations of CED. Hence this model becomes major link to the discussion for this paper. Various authors like Aupperle, K E. (1985), Donna Woods (1996) David Vogel (2005) have supported Carroll's model. According to Wood and Jones (1996), "Carroll's four domains have enjoyed wide popularity among social issues in management scholars".

This research uses Carroll's model as a theoretical framework to understand the components of "Corporate Social Responsibility" and comparing with

NVG and GRI guidelines to verify the link and identify the gap, which can give a space to understand the Carroll's theoretical model and on place result of implementation.

Carroll's pyramid (1991) consisted of four parts: economic, legal, ethical and philanthropic

Economic Responsibility: Carroll (1991) was of the opinion that corporate as an economic institution should produce and sell goods to society at fair prices which the society feels to be its true value. The corporate should look upon the profitability part as a mechanism of survival, growth and reward to the corporate. In this dimension, Carroll received full support from the Shareholder Value theory (1980) and from various scholars who were of the opinion that only economic responsibility and self-interest should be the legitimate responsibility of a business firms leading to profit maximization (Friedman, 2001; Vogel, 2005). The support for the economic perspective was very pronounced from different scholars and from the study done by Carroll and his colleagues (Levitt, 1958; Davis 2005).

Legal Responsibility: Carroll (1991) was of the opinion that legal responsibilities are codified ethics. It is the responsibility of the business to adopt and adhere to the fair practice as developed by the lawmakers of society. Safeguarding the stakeholders is a part of corporate laws. Corporate organizations have the option to oppose such law but it will come to effect only after the consent of the society. However, the jurisdiction of corporate laws is limited in the sense that it is subjective and may be influenced or biased by the corporate.

Ethical Responsibility: Beyond the boundaries of legality, Carroll (1991) viewed on that there are activities and practices which are either expected by society or prohibited by societal norms. These are ethical responsibilities embodying norms, values, standards, expectations that stakeholders consider as just, fair and consistent with their moral rights. Studies (Enderle, 1995; Donaldson &Dunfee, 1999) have tried to elevate the ethical component to the global domain by taking into account the norms and cultural differences of various geographic location both in the local and in the global level. In this process, Carroll's model would be valid in the global settings of cultural differences.

Philanthropic Responsibility: These are purely voluntary initiatives which the business desires to serve to the society (Porter, 2003; Marrewijk& Were, 2003). Since it is not mandated, it can neither be called legal or ethical responsibility. It originates from company's visions to become a good corporate citizen by understanding the secret desires of the public. This dimension of Carroll's model is supported by corporate citizenship theory (2005). According to Aupperle et al. (1985), Carroll's conceptualization has multiple components that lend themselves to measurement and testing.

One of the considerations to be taken into account is that all the four tiers that is economic, legal, ethical and philanthropic together make up the framework for "Corporate Social Responsibility" and each of them are equally responsible. The company should be fulfilling all the responsibilities simultaneously and in any order. Carroll was of the opinion that, every component of the model represented a different set of stakeholder. An interesting take away from this note is the fact that employees are affected mostly in "Corporate Social Responsibility" to the extent that some scholar (Clarkson 1995) suggested calling it corporate "stakeholder" responsibility. Carroll (2004) extends his pyramidal model to accommodate the global differences. The model was modified at all levels to address the global "Corporate Social Responsibility" phenomena. Hence, the model took account for global economic rate of returns, global legal standards, and global differences in ethics and variations in the meaning of philanthropy in different countries.

Carroll (2004) later on transformed the pyramid into a Venn diagram. In the Venn diagram, there were two advantages. The first advantage is that it is not hierarchical in nature. This takes into account the fact that any of the parameters can be chosen first for executing "Corporate Social Responsibility". The second advantage is that in the Venn diagram, there are overlapping areas. This is of great importance as there are scholars who have stated that "Corporate Social Responsibility" cannot be polarized into one dimension or the other. However, combinations of two or more strata of Carroll's model are required.

III. METHODOLOGY

The theoretical framework adopted for this research is Archie Carroll's pyramidal model of Corporate Social Responsibility. This model was taken into consideration as per its wide acceptance among scholars. As mentioned earlier in literature review, the model has four parts: economic, legal, ethical and philanthropic. These four responsibilities are used as codes to understand whether the Indian and global Corporate Social Responsibility guidelines are critically following the codes that are being set by the theoretical constructs of Carroll. The paper will take a deductive approach where the generalized codes of Corporate Social Responsibility are actually tested in the specific problem under consideration. Firstly, a thematic content analysis will be done about the guidelines that are present in the Indian and global Corporate Social Responsibility rulebook. The theme which is emerging out of the analysis of a single guideline is then tallied with the definitions of the four codes of Carroll's pyramidal model of Corporate Social Responsibility. If it is found that the generalized code of Carroll fits into the theme of the guidelines, the codes are considered to be in sync with the academic coding process. However, if any code is found to be different, analysis would take place whether any new knowledge of social phenomenon can be generated out of the practical applications as proposed by the guidelines. This process would then enable researchers to critique Carroll's model if possible. The idea of deconstructing themes out of guidelines and then testing the academic codes to the practical codes enable in understanding the gap between the academic model and practical guidelines. If any such gap is found, a gap analysis would be done in order to understand the difference between theorization of constructs and practicality of its application. It would also enable the researcher to understand whether the gaps as found either in the academic model or in the practical guidelines can be bridged in some way.

IV. DATA COLLECTION

The data is collected from the websites pertaining to Global Reporting Initiative (GRI)[4] and National Voluntary Guidelines on Social, Environmental & Economic Responsibility of Business (NVG)[5]. The GRI is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting[6]. GRI provides sustainability reporting standard practice for all companies and organizations. Its framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance. NVG has formulated by Ministry of Corporate Affairs, Government of India. The present guideline is a refinement over the Corporate Social Responsibility Voluntary Guidelines 2009.[7] “It urges businesses to embrace the “triple bottom-line” approach whereby its financial performance can be harmonized with the expectations of society, the environment and the many stakeholders it interfaces with in a sustainable manner” (NVG, 2011-12).

Data is collected from the above sources and codified according to the parameters prevalent in Carroll’s model to understand how much of the guidelines fit into the model. Inter-coder reliability is done to ensure that the interpretation of the definitions of the parameters in the guidelines actually imply similar meanings corresponding to the definitions of the parameters in Carroll’s model.

V. FINDINGS AND ANALYSIS:

Analyzing the guidelines set up by GRI and NVG and comparing with the theoretical definition proposed by Carroll through its CSR model, the following findings came to the forefront.

A. *Economic Responsibility*

As far as economic responsibility is concerned, the following common and differentiated points have been found.

1) Investment in community wellbeing: Both GRI and NVG invest in products and technology that promote the well being of society in general and community in specific. They also innovate and invest in products which are beneficial for climate change.

2) Investment in employee benefits: GRI in particular takes special attention for employees in distributing their revenue for employee compensations and making payments to shareholders and government. GRI provides no discrimination among gender at entry level wage for significant locations of operation. It also makes local hiring so that the local community is economically benefitted. All these activities fall under a definition of Carroll’s Economic Responsibility.

Hence it can be inferred that although NVG mentions some amount of economic responsibility in terms of community wellbeing, GRI is instrumental in involving much more of economic responsibility activities in terms of community and employee wellbeing under its guidelines

B. *Legal Responsibility*

As far as legal responsibility is concerned, the following themes identified are:

1) Collective Bargaining: As per the guidelines of GRI and NVG, every company needs to have collective bargaining to be implemented as a law. It would include the percentage of employees covered by collective bargaining agreements, percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs, percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. It also deals with freedom of association and right to participation.
2) Policy Advocacy: As per the legal guidelines of GRI and NVG, the policy advocacy should be implemented in companies. The advocacy programmes of GRI includes programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. Further NSG states that advocacy position should be consistent with the principles and core elements contained in the guidelines.
3) Employee welfare: As per GRI guidelines, benefits should be provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operation. There should be a proper law for employees return to work and retention rates after parental leave. There should be region wise break up of gender through employee contract.

[4] https://www.globalreporting.org/information/about-gri/what-is-GRI/Pages/default.aspx
[5] www.mca.gov.in/
[6] A sustainability report is a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities.
[7] The Guidelines have been processed by a Guidelines Drafting Committee (GDC) was appointed by the Indian Institute of Corporate Affairs (IICA) with a clear focus on 'Indian' approach, which will enable touch on the fundamental aspects – the 'spirit' - of an enterprise in India. It is constituent of 9 Principles and all Principles are equally important and non-divisible. The Guidelines are not prescriptive in nature, but that taken into account the realities of Indian business and society as well as global trends and best practices adapted to the Indian context.

4) Non-compliances: GRI advocates strict laws and regulations should be implemented for non-compliance with monetary value of significant finds along with provision and use of product and services.

Thus it can be infer that although NVG has components of legal responsibility as Carroll has theoretically propounded but for GRI the guidelines even more explicit as far as activity involving legal responsibilities are concerned. Whereas NVG speaks about collective bargaining and touches upon policy advocacy, GRI guidelines elaborately state the legalities of collective bargaining, policy advocacy as well as employee welfare.

C. *Ethical Responsibility*

Ethical responsibility focuses on the following major themes as laid down by global and Indian guidelines.

1) Environmental concerns: Both GRI and NVG consider recycling and reuse of waste materials and natural resources as an ethical environmental concerns for companies. GRI considers scrutinizing the percentage of materials used that are recycled input materials, energy saved due to conservation and efficiency improvements, initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements take place as a result of these initiatives and total volume of water recycled and reused. NVG also emphasizes on recycling of resources by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy. The guidelines of NVG also suggest that company should develop an Environment Management Systems (EMS), should report their environmental performance, including potential environmental risks, and have measurements to check and prevent pollution. GRI guidelines on the other hand suggests that there should be scrutiny of total direct and indirect greenhouse gas emissions by weight and listing of number of IUCN Red List[8] species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

2) Transparency: As per the NVG guidelines, transparency is an important component of ethical responsibilities of companies, which include truthfully revealing of financial documents, consumer's awareness of their rights, fare review and improve upon the process of new technology development, deployment and commercialization, and fare emphasis on Intellectual Property Rights for employees. It also emphasizes transparency about the impact of corporate policies, decision, product and services, proactive persuasion and support of the value chain of the company and disclosure of all the information truthfully and factually.

3) Employee Welfare: Both NVG and GRI guidelines emphasize heavily on employee welfare as a part of ethical responsibility for the corporate. The employee welfare as scheme laid down by GRI includes education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. It further states that there should be average hours of training per year per employee by gender, programs based on skills management, lifelong learning that support the continued employability of employees and assist them in managing career endings, and also training on employee policies and procedures concerning aspects of human rights that are relevant to operations. It also emphasizes that the company should understand the significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor and elimination of all forms of forced or compulsory labor. It also emphasizes that there should be a grievance cell where number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

NVG also emphasizes on grievance redressal mechanism along with equal opportunities at the time of recruitment, work-life balance of its employees, especially that of women, ensure timely payment of fair living wages to meet basic needs and economic security of the employees, workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees and provide harassment free workplace. NVG also emphasizes on identifying their stakeholders, understand their concerns and providing access to necessary learning opportunities for all employees. NVG feels that the need for all employees is to give special attention in areas that are underdeveloped and understand, promote & integrate respect for human rights in management systems, and making employees utilize natural and manmade resources in an optimal and responsible manner.

Thus it can be infer from the above analysis that where as GRI emphasizes on environmental concern and employee welfare, NVG emphasis on all the three parameters of these three environmental concern, transparency and employee welfare.

D. *Philanthropic Responsibility*

Two important themes have been emerged from the guidelines such as: developmental programme initiatives and participation/ involvement of local community.

1) Developmental Programme Initiatives: As per GRI guidelines developmental programme initiatives with respect to philanthropic responsibility would include the amount of land and the location owned, leased or managed by the company in adjacent to, protected areas or areas of high biodiversity value outside the protected areas so that habitats are

[8] Refer to the link for detail- http://www.iucnredlist.org/

protected or restored. For philanthropic responsibility NVG highlights complementing and support from the companies for developmental priorities at local and national level.

2) Participation/ Involvement of Local Community: GRI guideline proposes companies to scrutinize percentage of operation that is implemented through local community engagement and assess its impact factor on society. It also speaks about public policy positions and participation of local community in public policy development. NVG states that company should assure appropriate resettlement and rehabilitation of communities and be sensitive to local concerns.

Both GRI and NVG emphasize philanthropic activities through developmental programme initiatives and participation/ involvement of local community, these affiliates to Carroll's Philanthropic responsibility.

VI. CONCLUSIONS

Corporate Social Responsibility has become a mandate in today's world. Whether companies are doing this for mutual benefit of the company and the society is a matter of research. This paper tries to understand the very base of Corporate Social Responsibility activities by taking into account the guidelines that the companies are mandated to follow for their activities. This paper links an Indian (NVG) and an international guideline (GRI) to the theoretical definitions of Carroll to understand how much the framework of the guidelines is rooted in theory. It has been found that GRI follows the theoretical foundation much more meticulously than NVG. It was also found that employee welfare is most prominent as far as Corporate Social Responsibility activities are concerned. In other words, the internal society of the company that is the employees of the company are more emphasized through these guidelines. This is also evident from the amount of ethical responsibility activities that is under the framework of both the guidelines. This is an interesting finding because the perception of Corporate Social Responsibility activities is more towards philanthropic responsibility for the larger community than for the employees of the society. This inference also suggests that Corporate Social Responsibility concept is much more than only serving the society. However, recommendations to GRI would include more elaborate guidelines to be made towards legal and philanthropic responsibility. For NVG, except ethical responsibility, all other responsibilities need to be much more elaborate for it to match to the theoretical construct of Corporate Social Responsibility. Future direction of research should investigate the reports of companies to understand whether companies are doing according to the guidelines or is there any mismatch between what is recommended in theory, in guidelines and in practice. The understanding of these findings would enable the weak link prevalent in the practice of Corporate Social Responsibility activities and the effective ways in executing Corporate Social Responsibility by corporate organization.

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