

“Corporate Social Responsibility – A Strategic Tool for Developing and Maintaining the Good Image of The Organisation In The Community”

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Abstract: - Corporate Social Responsibility or CSR is define as “the ethical behavior of the organization in the community” which is initiated only by for-profit organization. In present corporate scenario CSR become increasing prominent because the stable organization corporate have realized that besides growing their business it is also our responsibility to build trustworthy and sustainable relationships with community at large and it is only the key drivers for their long term survival in this century of intense competition.

The popular definition of CSR in the continuing commitment by business to behave ethically and contribute to economic development, by improving the life of workforce and their family members including the local community and society at a large.

Apart from gauging the changes in the CSR scenario after the introduction of the companies Act 2013, the ministry of corporate affairs laid down the guidelines and CSR rules. Lots of discussion and debates were made on CSR but finally favorable augments underline tradeoff between CSR and long term survival of the organization. This all has lead to a movement of CSR concept from optional to compulsory. Holistic approach on the existing CSR scenario is required to align the legal framework with the dynamic requirements of globalization, competitiveness, productivity, stake holders and sustainable development/survival of the organization. The long term image of the organization in the community can be developed through effective CSR practices . This research paper focuses on the inevitable factor of CSR as now these are not essential for the economic growth of the organization but for developing the image of the organization or its survival also. This research paper is completed on the study bases of the data collected through news paper, magazine , primary and secondary sources from profitable Automobile Industries located at DELHI NCR having manpower strength more than 1000 nos. .

Key Words: *Industrial Relations, Corporate Social Responsibility (CSR), Strategic Tool, Organization Corporate , Companies Act 2013 etc.*

I. INTRODUCTION

Corporate Social Responsibility (CSR) is having wide in scope which includes different practices and perceptions to everyone in different organization.

The wealth that one creates has to be ploughed back for the benefit of society.

–Mahatma Gandhi.

The world Business Council for Sustainable Development in its publication “ Making Good Business Sense “ by Lord Holme and Richard Watts used the following definition:

“ Corporate Social Responsibility 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 “

Corporate Social Responsibility represents the relationship between the organization and the community in which the organization operates. CSR define as a system of gauging an organization’s bearing on community and weighing their responsibilities. It involves the efforts of the profit making business organizations to meet the responsibilities of the concerned community , both as economical and social agents which assumes the new meaning in today’s world , given that it has extended the boundary of the organization into the community. In earlier days the organization were doing the social activities as a part of their charitable practices but in the present scenario the definition has been changed totally and now it become the continuous commitment on the part of organization towards the economic, social and environmental development of the community in which they operates.

Now a day’s the corporate house are treating the CSR as an important activity and relating their Core Values with CSR drive initiatives. Organizations are becoming more sensitive about their strategy because they have started feeling that brands are built not only around good quality of product or service , but also around emotions and values that people ascribe to those products or service.

II. CONCEPT OR MEANING OF CSR

In current scenario the CSR has become quite familiar with the conception that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. The current govt. also focusing on the concept of “MAKE IN INDIA” which

means to promote the industrialization and entrepreneurship development in our country.

The term “Corporate Social Responsibility” came in use in late 1960s and early 1970s after many multinationals corporations formed the term stakeholder, meaning those on whom an organization’s activities have an impact. Various stakeholders of a company are shareholders, employees, customers, government, creditors, competitors and community. CSR implies a corporate taking volunteer responsibility for its actions and their impact on its customers, suppliers, shareholders, communities, future generations and the environment. It is also concerned with treating the internal and external stakeholders ethically and socially responsibility manner while preserving the profitability of the company. Different organization is having the different approaches to strategize the CSR policy.

A business strategy that is integrated with core business objectives and core competencies of the firm, and from the outset is designed to create business values and positive social change, and is embedded in day to day business culture and operations.

MAKE IN INDIA – NARENDER MODI, Prime Minister, 2014 focus to develop more the industrial sector for economic development of the country. The industrial growth and economic development of the country is badly affected due to the occurrence of several labor unrest and strike in last five years. The globalization which hit the Indian business scenario in the second past decade i.e. 2005 onwards, which introduced throat cut competition among the industries and put big challenges for their survival or existence in the market. CSR in broader in scope helping the organization developing the two way communication and positive environment in the organization and society.

The Corporate Social Responsibility is governed in India by the clause No. 135 of the Companies Act, 2013 which was passed by both the houses of the Parliament and also received the assent of the President of India on 29 August 2013, the new rule are applicable from the fiscal 2014-15. All the profitable companies have to spend 2% of three year average profit on CSR works and also have to form the CSR committee consisting of three or more directors, of which at least one independent director to review and monitor the CSR policy periodically.

It is further clarified by the Govt. Of India – Ministry of corporate Affairs vide No. 5/1/2014- CSR and General Circular No. 21/2014 on the provisions under section 135 of Companies Act 2013 (herein after referred as ‘the Act’) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as well the activities to be undertaken as per schedule VII of the Companies Act 2013.

CSR approaches need to be constructed by adapting best practices, existing initiatives and analyses to local context and situations. CSR typically includes “beyond law” commitment and activities pertaining to :

- **Corporate governance and ethics**
- **Corporate Citizenship**
- **Health and Safety**
- **Environmental Stewardship.**
- **Human rights (including core labour rights)**
- **Sustainable Development**
- **Industrial Harmony**
- **Conditions of work (including safety and health, hours of work, wages etc.)**
- **Industrial Relations or Employee Relations**
- **Community Involvement, development and investment.**
- **Corporate philanthropy and employees volunteering.**
- **Customer’s satisfaction and adherence to principal of fair competitions.**
- **Accountability, transparency and performance reporting.**
- **Suppliers relations for both domestic and international supply chain.**

CSR is understood to be the way firms integrates social, environmental and economic concern into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. Organizations are engaging their employees in organizing of CSR activities and maintaining good employees relations in their organization.

CSR initiatives majorly involves the activities such as adopting villages for holistic development in which they provide quality of education, medical facilities and sanitation facilities to the villagers or communities.

CSR is not only limited to the compliance of human right standards, labour and social security arrangement, but also to fight against climate change, sustainable management of natural resources and consumer protection. The good organization are maintaining the CSR as a powerful tool for the image building of the organization.

III. OBJECTIVE OF THE STUDY

The objectives of the study will be

- (i) To understand the concept and meaning of CSR.
- (ii) To know the importance of CSR activities in the organization.
- (iii) To know the effectiveness and impact of CSR in maintaining the good image of the organization in the community.

IV. RESEARCH METHODOLOGY

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazine, articles and media reports. In line with the requirement of the objectives of the study the research design employed for the study is of descriptive type.

Keeping in view of the set objectives , the research design was adopted to have greater accuracy and in depth analysis of the research study. Different news articles , books and web were used which were enumerated and recorded.

V. CONTEMPORANEOUS PUBLICATIONS OR REVIEW OF LITERATURE

Mohammed Javed Kalburgi et al.(2010), concluded that there are lots of factors which play into the concept of employee motivation and it differ from situation to situation. Some organization's guidelines related to motivation may not be effective for the other organisation because the motivation is based on various theories. The good environment of the organization and supervisor's help in performing the task of the employees played vital role for employee's motivation i.e. the success of any organization depends on its motivated employees.

According to Preeti Khatri et al.(2010) , that managing talent in global organization is more complex and demanding. The current business scenario showing the weaknesses in the talent management practices in many organization , as well as the lack of a comprehensive understanding of skills , capabilities, key workforce and top talent. Talent strategy is also an integral part of the overall organizational strategy. Most of the companies also develop their plan and keep the track of the record of the talents of their employees which includes attracting and recruiting qualified candidates with competitive backgrounds, managing and defining competitive salaries, training and development opportunities, performance management process retention program, promotion, transitioning and the leading organization generally ensure that the right person with right skills in the right job at the right time. Talent management can be the major strategy for the company's value proposition and a distinct competitive advantage.

Tamilselvan. R et al.(2010), studied the impact of industrial relation on employee productivity which recognized that Now a days various new technologies and latest machineries are being introduced in the market for the improvement in productivities, but the human input towards the improvement in the productivity , economic growth and development is very- very crucial factor which can not be overlooked by organisations. The trade unions also plays an important roles to make industrial environment conducive and with the objective of promotion of productive efficiency, capitalism.

Francis C. Anyim et al. (2011), marked change of form , appearance, character of collective bargaining specially at the time of economical recession. During the declining of economy the recession is very big challenge to face by the management or the union , the industrial harmony and industrial peace can only be achieved through the concept of effective collective bargaining and win-win approach for both the parties.

M.N. Badrinath et al.(2012), founded that , now a days the companies are facing throat cut competition and to

increase the profitability , deploying the 55 % of the labour force on contract basis. Most of the automobile companies are just having the 7% people on permanent basis. In this case study of the company's named Maruti Suzuki India ltd focuses on various aspect of labour issue and shared their impact on profit of the organization , issue of contract labour and importance of collective bargaining in maintaining positive industrial relations.

Nupur Chaudhary et al.(2012), interpreted that motivation is an effective tools for employee's performance(productivity) and their retention in any organization. To face the challenges and market competitiveness all the factors of employee retention and production (4M-Men. Material , Machine , Method) should be utilized in an optimum manner for the survival of any organization. The profit and revenue growth of any organization is only the outcome of the motivated employees which are also the actual assets of the concerned organization. Positive motivation is only possible in the organization by handling of thoughts, feelings and emotions to protected highest productivity.In this research the data is collected from 70 employees in the form of questionnaire from the employees working in various deptt having different job responsibilities and concluded that employees motivation is having the direct impact on productivity and growth of the organizations.

Arun Kumar Puttapalli et al.(2012), defined that the discipline is primary requirement for maintain the industrial harmony ,smooth running of any organization and its prosperity. Any organization which is having the good culture, motivated employees, outstanding quality always invariably and ultimately succeed. The structured disciplined system in the organization keep the morale high of the employees , make them more responsible, increase the productivity and quality of work, encourage the employees to be more creative, bring new suggestions or ideas to the organization on the other hand the non-committed or in disciplined employees shows the lack of interest or enthusiasm in his work and resulted in conflict and frustrations.

U. M. Premalatha(2012), shown an approach that the industrial development i.e. improving the productivity and profitability is a result of industrialization. The study on industrial relations is done by among 15 industrial undertakings in Thane distt. Of Mumbai which were covered under the umbrella of MIDC . The economic conditions of an industry depend upon its harmonious relationship, which can only be possible by the emotional involvement of both employer and employee. For the development of nation or any organization ; the constant review of the harmonious industrial relations is required; which add value to the continual association by increasing the productivity and profitability.

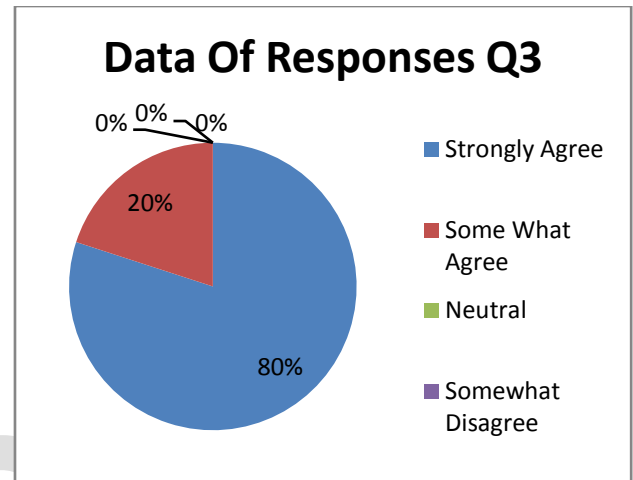
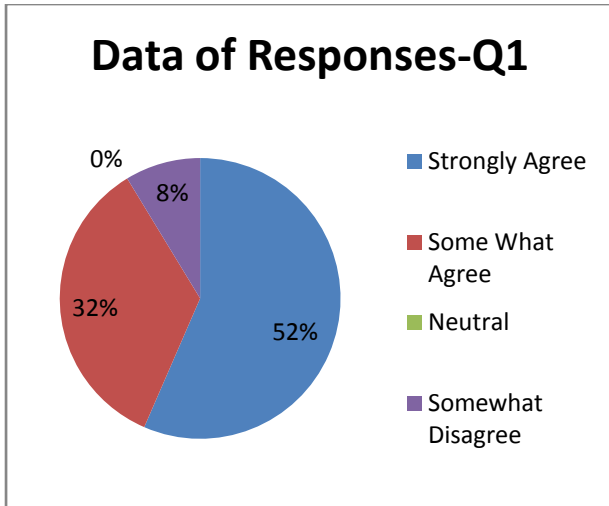
VI. DATA ANALYSIS

Percentage of responses of respondent against the following questions :

Q1. Every Manager is well aware about the concept of Corporate Social Responsibility(CSR) in the organization.

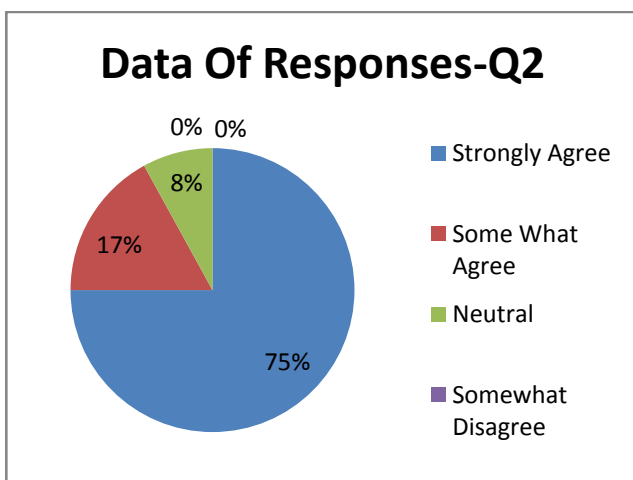
Sr. No	Particular	Percentage(%)
1	Strongly Agree	52%
2	Some What Agree	32%
3	Neutral	0%
4	Somewhat Disagree	8%
5	Strongly Disagree	8%

Sr. No	Particular	Percentage(%)
1	Strongly Agree	80%
2	Some What Agree	20%
3	Neutral	0%
4	Somewhat Disagree	0%
5	Strongly Disagree	0%



Q2. Every Manager in the organization are knowing about the importance and contribution of CSR in the organizational growth.

Sr. No	Particular	Percentage(%)
1	Strongly Agree	75%
2	Some What Agree	17%
3	Neutral	8%
4	Somewhat Disagree	0%
5	Strongly Disagree	0%



Findings

- 84 % of respondent are found aware of the term concept of Corporate Social Responsibility(CSR) in the organization but 16% found that they do not have enough knowledge of concept of Corporate Social Responsibility(CSR) in the organization.
- 92 % of respondent are found implementing the CSR activities in routine practices of human resources management in their organization.
- It has been found that 80% respondent strongly agree that the proper implementation of CSR activities affects positively in maintaining the good image of the organization in the community and 20% also agree to this but not strongly.

3. Effectiveness and impact of CSR in maintaining the good Image of the Organisation.

VII. CONCLUSIONS SUGGESTION

The conclusion of the study is that the CSR is inevitable activities for the better utilization of human resources in order maintain the good image of the organization in the community.

CSR and sustainable development are the moving target which can't be achieved by organizing one time activity. Organization should approach CSR as a process of continual improvements and to keep constant watch for new issues and considerations. As a business strategy and building the trust among the employees, customers, communities, competitors, business partners, investors, share holders, stake holders, governments and others , the CSR could be used as an effective tools for maintaining the industrial relations in the organization.

Successful programmes on CSR depend on the enlightened people management practices. CSR is an opportunity and privilege for maintaining the good industrial relations in the organization.

Further, it is also suggested that the awareness of CSR should be given to everyone and top management should take the responsibility for the same for the growth of the organization.

Limitations

1. Due to restriction of not exceeding 3000 words in the research paper several important things could not be mentioned in the paper.
2. The author did not have any control over the respondents, it might be possible that some the respondent have not responded truly in their responses.

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