

The Imperative of Corporate Social Responsibility in the Present-Day Governance

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ABSTRACT

There is a surging demand on the corporate sector to conduct sustainable business practices and this has led to the emergence of a new consciousness, which has come to be known as Corporate Social Responsibility (CSR). It is a sort of built-in and self-regulating mechanism by which a company monitors and ensures its dedication and commitment for complying with the spirit of law, ethical standards, and national and international norms. It enables the integration of business interests with that of the communities. Its ultimate aim is to contribute to sustainable development. The key drivers for CSR are enlightened self-interest, social investment, transparency and trust, and increased public expectations of business. An organisation's performance in a socially responsible manner can influence its competitive advantage; reputation; capability to attract and keep hold of workers, members, customers, clients, users; maintenance of morale, commitment and productivity of employees; view of investors, owners, donors, sponsors and the financial community; and relationship with companies, governments, media, suppliers, customers and the community in which it operates. Numerous CSR initiatives have been taken up at global and national levels. These include United Nations Global Compact, Principles for Responsible Investment, Global Corporate Citizen Initiative, ISO 26000:2010 – Guidance on Social Responsibility, SA 8000 Standard, Global Business Coalition on Health, Roundtable on Sustainable Development, Global Reporting Initiative, Corporate Social Responsibility Voluntary Guidelines 2009, and National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business. However, it has been argued that the corporate sector is still not doing enough in this direction and due to which gaps are being observed in the fulfillment of the promises being made by the companies in their corporate social responsibility policies.

KEYWORDS: corporate social responsibility; new consciousness; sustainable development; self-regulating mechanism; and social investment.

INTRODUCTION

Public and private administrations are two facets of administration. The primary motto of the two administrations is different from each other, whereas promotion of community welfare is the chief concern of public administration; profit motive is the driving force of private administration. Since public administration is strictly bound by constitutional provisions, statutory laws, official rules and regulations; it is constantly accountable directly to the political executive and indirectly to the

Parliament; its actions are under continuous public scrutiny; and it has to function in a way so as to sustain the confidence and faith of the general public, therefore, it is required to function in a legal and ethical manner. However, as the primary concern of the corporate sector is to generate maximum profit so often local businesses and multinational corporations engage openly in unethical practices. In the present times due to stringent international and national laws; rapid global information sharing; increased media attention and focus; pressure

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from governments, civil society, non-government organizations, consumers etc., it is not easy for the corporate sector to indulge openly in unethical competitive practices. Rather, there is a surging demand on the sector to conduct sustainable business practices. The corporate sector has also begun to realise the importance of being ethical in its daily operations. The emergence of a new consciousness in the corporate sector has come to be known as Corporate Social Responsibility.

The forces of globalisation, political transition and technical innovation have thrown open new and emerging opportunities for millions of people to improve their living standards. However, there are concerns that these opportunities are not being properly met, and many people are facing high levels of inequality, insecurity and uncertainty. This calls for the need to have a close collaboration among the leaders from all countries, sectors and levels of society in order to address these challenges.

Business enterprises are key drivers for increased productivity and development. The enterprises must function with zeal and enthusiasm so as to conduct business in a manner that involves obeying the law, producing safe and cost-effective products and services, creating jobs and wealth, maintaining training and technology cooperation and exhibiting international standards and values. Socially responsible business practices should be an integral part of core business strategy.

MEANING, OBJECTIVES AND SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR), also known as *corporate conscience*, *corporate citizenship*, *social performance*, *sustainable responsible business*, is a type of corporate self-regulation, which has been incorporated into business strategy and practices. It is a sort of built-in and self-regulating mechanism by which a company monitors and ensures its dedication and commitment for complying with the spirit of law, ethical standards and national and international norms. Its *objectives* are to enable a company to accept responsibility for its actions;

make it socially accountable and answerable; and persuade it to make certain that its activities have a positive impact on the environment, communities, consumers, employees, public and stakeholders. Its ultimate aim is to contribute to sustainable development. It is based on the fundamental idea that apart from implementation of public policy by the public agencies, the companies and organisations should also involve themselves for addressing social issues and contribute to national development. The business can propagate value and long-term sustainability for itself and make worthwhile contribution in improving the conditions of society by demonstrating socially, ethically and environmentally responsible behaviour in the performance of its operations. Even though companies and organisations have been fulfilling their social responsibilities since a long time, but the term CSR came into common use in the late 1960s and 1970s.

According to the Department of Trade and Industry in the United Kingdom, corporate social responsibility represents “the integrity with which a company governs itself, fulfills its mission, lives by its values, engages with its stakeholders, measures its impact and reports on its activities” (Taking IT global, corporate social responsibility, globalisation). *Jamsetji Tata*, the founder of Tata Group, very aptly remarked, “In a free enterprise, the community is not just another stake holder in the business but in fact the very purpose of its existence.”

CSR approach reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance. This also makes business sense as companies with effective CSR have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers (Ministry of Corporate Affairs, Corporate Social Responsibility Voluntary Guidelines 2009).

The key drivers for CSR are:

1. *Enlightened self-interest*: Creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labour and communities are able to function well together.
2. *Social investment*: Contributing to physical infrastructure and social capital are increasingly seen as necessary parts of doing business.
3. *Transparency and trust*: There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.
4. *Increased public expectations of business*: Globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment (Asian – Oceanian Computing Industry Organization, Corporate Social Responsibility, ASOCIO Policy Paper, June 2004).

CSR has become a basic business practice in recent times. The champions of CSR argue that the term is associated with sustainable development and enables the companies and organisations to work with a concern for community development. It is said that companies make more long-term profits by adopting the right perspective and functioning accordingly.

CSR endows the companies and organisations to have a sustainable business. In fact, it can be said that the overall performance of any organisation and its capability for continuous effective operation depend upon its performance in relation to the society in which it operates and its impact on the environment.

CSR is also linked with the eight Millennium Development Goals. Achievement of inclusive development requires a participatory approach based on close collaboration and partnership with an active engagement of various sections of society, including the corporate sector.

An organisation's performance in a socially responsible manner can influence its competitive advantage;

reputation; capability to attract and keep hold of workers, members, customers, clients, users; maintenance of morale, commitment and productivity of employees; view of investors, owners, donors, sponsors and the financial community; and relationship with companies, governments, media, suppliers, customers and the community in which it operates.

COMMUNITY SOCIAL RESPONSIBILITIES AT THE GLOBAL AND NATIONAL LEVEL

Since CSR is required for sustainable inclusive development, therefore, various initiatives have been taken up at the global and national level to promote it. The initiatives at the **global level** include:

United Nations Global Compact

United Nations (UN) Global Compact is a strategic policy initiative for businesses, which are devoted to associate their operations and strategies with 10 universally recognised principles. It is the largest voluntary corporate responsibility initiative in the world having more than 8,700 corporate participants and other stakeholders from more than 130 countries. Its objectives are to mainstream the 10 principles in business activities all over the world; and catalyse acts in favour of broader UN goals. The ten principles are:

Principles for Responsible Investment

The United Nations-backed Principles for Responsible Investment Initiative (PRI) are a network of international investors functioning together to execute the six principles for responsible investment. These principles provide a voluntary framework, which can help the investors to embody environmental, social and corporate governance (ESG) issues into their decision-making and ownership practices and by doing so they can better regulate their objectives with those of society.

The six principles are:

1. To incorporate ESG issues into investment analysis and decision-making processes.

Table 1: Ten Principles of UN Global Compact

Area	Principle
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Source: United Nations Global Compact, the Ten Principles, <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

2. To be active owners and incorporate ESG issues into ownership policies and practices.
3. To seek appropriate disclosure on ESG issues by the entities in which investment has been made.
4. To promote acceptance and implementation of the principles within the investment industry.
5. To work together to enhance effectiveness in implementing the principles.
6. To report on the activities and progress towards implementing the principles.

There are more than 1000 signatories to the principles. There are two signatories in India – Infrastructure Development Finance Company Limited (IDFC) and Solaron Sustainability Services.

Global Corporate Citizen Initiative

Global Corporate Citizen Initiative has been launched by the World Economic Forum (WEF) to increase the engagement of corporate sector and secure its support for social responsibility as a business strategy.

At the annual meeting of the WEF in 2002, the Initiative launched a joint statement of a task force of chief executive officers (CEOs) of WEF – *Global Corporate Citizenship: the Leadership Challenge for CEOs and Boards*. The joint statement recommended a *Framework for Action*.

ISO 26000:2010 – Guidance on Social Responsibility

ISO 26000, developed by International Organisation for Standardisation, is a voluntary international standard providing globally relevant guidance on social responsibility to private and public sector organisations and inspiring them to implement the best practices in social responsibility.

SA 8000 Standard

SA (Social Accountability) 8000 Standard is an auditable international social certification standard for a third party verification system of social accountability international. Social accountability requirements of the standard include child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

Global Business Coalition on Health

Global Business Coalition on Health has more than 200 member companies and organisations dedicated to invest their resources and contribute their assets, expertise, influence and reach to build a healthier world for their employees, the communities in which they operate and the world at large.

Roundtable on Sustainable Development

Roundtable on sustainable development was set up in 1998 by Donald J. Johnston, the then Secretary-General

of Organization for Economic Co-operation and Development (OECD). It congregates ministers, senior executives of private sector, leaders of non-governmental organisations and academicians to dwell upon and indulge in policy dialogues on environmental and development issues at the global level.

Global Reporting Initiative

Global Reporting Initiative is a non-profit, multi-stakeholder and network-based organisation located in Amsterdam, the Netherlands. It provides a wide-ranging sustainability reporting framework to companies and organisations to enable them to measure and report their social, economic, environmental and governance performance.

Apart from the global level initiatives, there are **national level** initiatives which are as follows:

Corporate Social Responsibility Voluntary Guidelines 2009

Corporate Social Responsibility Voluntary Guidelines have been formulated by the Ministry of Corporate

Affairs, Government of India. The fundamental principle of the guidelines is that each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of overall business policy and aligned with its business goals. The CSR policy should normally cover the following core elements: care for all stakeholders; ethical functioning; respect for workers' rights and welfare; respect for human rights; respect for environment; and activities for social and inclusive development (Ministry of Corporate Affairs, Corporate Social Responsibility Voluntary Guidelines 2009).

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business have been formulated by the Ministry of Corporate Affairs, Government of India in 2011. The principles and core elements of these guidelines are:

Table 2: Principles and Core Elements of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business

Principle	Core Elements
Businesses should conduct and govern themselves with ethics, transparency and accountability	<p>Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain.</p> <p>Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.</p> <p>Businesses should not engage in practices that are abusive, corrupt, or anti-competition</p> <p>Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.</p> <p>Businesses should report on the status of their adoption of these Guidelines.</p> <p>Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines</p>
Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<p>Businesses should assure safety and optimal resource use over the life-cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.</p>

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Principle	Core Elements
Businesses should promote wellbeing of all employees	<p>Businesses should raise the consumer’s awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services</p> <p>In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.</p> <p>Businesses should regularly review and improve upon the process of new technology development, deployment and commercialisation, incorporating social, ethical and environmental considerations.</p> <p>Businesses should recognise and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.</p> <p>Businesses should recognise that over-consumption results in unsustainable exploitation of our planet’s resources, and should, therefore, promote sustainable consumption, including recycling of resources.</p> <p>Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.</p> <p>Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.</p> <p>Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.</p> <p>Businesses should take cognizance of the work-life balance of its employees, especially that of women.</p> <p>Businesses should provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.</p> <p>Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Businesses should communicate this provision to their employees and train them on a regular basis.</p> <p>Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.</p> <p>Businesses should create systems and practices to ensure a harassment-free workplace where employees feel safe and secure in discharging their responsibilities.</p> <p>Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.</p> <p>Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product and services and associated operations on the stakeholders</p> <p>Businesses should give special attention to stakeholders in areas that are under developed.</p> <p>Businesses should resolve differences with stakeholders in a just, fair and equitable manner.</p>
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	<p>Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate human rights, which are inherent, universal, indivisible and interdependent in nature.</p>

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Principle	Core Elements
<p>Businesses should respect, protect and make efforts to restore the environment.</p>	<p>Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.</p> <p>Businesses should recognise and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalised groups.</p> <p>Businesses should, within their sphere of influence, promote the awareness and realisation of human rights across their value chain.</p> <p>Businesses should not be complicit with human rights abuses by a third party.</p> <p>Businesses should utilise natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.</p> <p>Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.</p> <p>Businesses should ensure that benefits arising out of access and commercialisation of biological and other natural resources and associated traditional knowledge are shared equitably.</p> <p>Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.</p> <p>Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.</p> <p>Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.</p> <p>Businesses should proactively persuade and support its value chain to adopt this principle.</p>
<p>Businesses, when engaged in influencing public and regulatory policy, should do so in a respectable manner.</p>	<p>Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the principles and core elements contained in these guidelines.</p> <p>To the extent possible, businesses should utilise the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.</p>
<p>Businesses should support inclusive growth and equitable development.</p>	<p>Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise the negative impact.</p> <p>Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.</p> <p>Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.</p> <p>Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.</p>
<p>Businesses should engage with and provide value to their customers and consumers in a responsible manner.</p>	<p>Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.</p> <p>Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.</p>

Principle	Core Elements
	<p>Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.</p> <p>Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.</p> <p>Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.</p> <p>Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.</p>

Source: Ministry of Corporate Affairs, Government of India, New Delhi, National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

Confederation of Indian Industry (CII) and CSR

CII, India's leading business association, has a Social Development Agenda and as a part of it a National Movement for Mainstreaming CSR for Sustained Inclusiveness has been envisioned. CII set up a National Committee on Corporate Social Responsibility and Community Development in 2001.

CII has formed a task force for suggesting measures for affirmative action. CII Climate Change Council has been constituted to formulate strategies for the implementation of National Action Plan on Climate Change, and involve industry, policy makers and research and development institutions in this task. For disaster management CII runs training and certification courses, conducts workshops and conferences, unveils publications, resource directories and multimedia kits, and provides relief and rehabilitation assistance.

In the field of education, there are two committees of CII Education Council – School Education Committee and Higher Education Committee. CII is highly active in the spheres of making policy recommendations on public-private partnerships in education, right to education, authorisation, upgradation of school and higher education, etc. CII and United States – India Educational Foundation (USIEF) have introduced the Fulbright – Nehru – CII Fellowships for Leadership in Management Programme for 2012–13.

In the area of public health, the focus of work has been on prevention of communicable diseases, advancement of healthy workplace conditions, raising nutrition levels among women and children, etc. CII is promoting rural business hubs in the country in partnership with the Ministry of Panchayati Raj, Government of India.

CII has launched Skills Development Initiative to impart skills to 500 million people by the year 2022. It has also launched, in collaboration with Hindustan Petroleum Corporation Limited (HPCL), the Swavalamban project to impart training to 2,200 youth in multiple trades.

CII has taken up several initiatives for training and supporting persons with disabilities. A National Committee on Women Empowerment has been constituted. The annual CII Woman Exemplary Award has been introduced.

Federation of Indian Chambers of Commerce and Industry (FICCI) and CSR

FICCI, the largest and oldest apex business organisation in India, established the Socio-Economic Development Foundation (SEDF) in 1995. The Foundation assists various humanitarian efforts and promotes CSR among FICCI members. At present, FICCI–SEDF focuses on: promotion of corporate social responsibility through awards, trainings and technical assistance to the companies; enhancing the employability of persons with

disability through the pilot project, JEEVIKA in Delhi and surrounding areas; and workplace and community health issues through sensitisation workshops, project CONNECT¹ and its close association with ILO.

FICCI-Shraddhanjali Jawan Trust has been set up with the primary objective of rehabilitating, retraining and employing disabled soldiers, and assisting children of martyrs and war widows. The Foundation introduced in 1999, the Corporate Social Responsiveness Award to compliment and inspire corporate houses to conduct and promote socially responsible practices.

Associated Chambers of Commerce and Industry of India (ASSOCHAM) and CSR

The mission of ASSOCHAM, one of the apex trade associations, is to impact the policy and legislative environment in order to promote balanced economic, industrial and social development. For affirmative action for Scheduled Castes and Scheduled Tribes, ASSOCHAM has adopted a code of conduct. For skill development it organises skill upgradation training and its evaluation under various government schemes. ASSOCHAM has instituted CSR Excellence Awards to recognise and reward the corporate for best CSR practices.

INSTANCES OF CORPORATE SOCIAL RESPONSIBILITY

Many companies and organisations have their own policies, programmes and guidelines for CSR. Some of the instances of CSR are:

- *Save the Children*, an international organisation, is working in 120 countries for protection of rights of the children. In India it is working in 12 states. Its vision is a world in which every child attains the right to survival, protection, development and participation.
- The purpose of *Tata Group* is to improve the quality of life of the communities served by it. The group has several trusts - Sir Dorabji Tata trust, Sir Ratan Tata trust, R.D. Tata trust, J.R.D. Tata trust, M.K. Tata trust, Sarvajanic sewa trust, Tata education trust, and Tata social welfare trust—which work for

constructive philanthropy and sustainable social development. These trusts have provided endowment for creation of national institutions like Indian Institute of Science, Tata Institute of Social Sciences, Tata Memorial Centre for Cancer Research and Treatment, Tata Institute of Fundamental Research, National Institute of Advanced Studies etc.; and are providing scholarship for higher education and development assistance for natural resource management, rural livelihoods, urban poverty and livelihoods, education, health, civil society, governance, human rights, art and culture and disaster relief.

Corporate social responsibility and accountability policy of Tata Steel states that it shall volunteer its resources, to the extent it can reasonably afford, to sustain and improve healthy and prosperous environment, and to improve the quality of life of the employees and the communities it serves (Tata Corporate Social Responsibility).

- The objective of the *Steel Authority of India Limited (SAIL)*, the largest steel maker of India, is to conduct business in such a manner that produces social, environmental and economic benefits for the communities served by it. One of its core values is ‘concern for people’ which the enterprise tries to fulfill by undertaking diversified and wide-ranging activities in the field of healthcare, education, water, solar power, vocational training, sports, and art and culture. SAIL has identified 79 villages as model steel villages in eight states.
- *Wipro*, a leading business company, believes that it must try to, and can make (some) lasting impact, towards creating a just, equitable, humane and sustainable society. Its purpose is to provide leadership in thought and action on key societal issues. Four core areas of work of the company are education, health care, environment and disaster rehabilitation. Wipro Cares is currently engaged in 15 projects across India (Wipro, Sustainability at Wipro is all about good citizenship).

- The vision of *Aditya Birla Group* is to actively contribute to the social and economic development of the communities in which it operates. The community and social projects of the group are carried out under the auspices of the “Aditya Birla Centre for Community Initiatives and Rural Development”. The group is trying to develop 300 villages into model villages.

- The mission of *ITC Limited*, a multi-business corporation, is to enhance the wealth generating capacity of the enterprise in a globalising environment. Its core values, among others, include customer focus and respect for people.

ITC has implemented several clean development mechanism (CDM) projects under the Kyoto Protocol and ensured carbon dioxide sequestration through large-scale social and farm forestry initiatives. It is a carbon positive, water positive and solid waste recycling positive corporation. ITC businesses have already registered 8 CDM projects, with the Executive Board of Clean Development Mechanism, set up by United Nations Framework Convention on Climate Change under the Kyoto Protocol, which includes two unique projects—one on social forestry, the first of its kind in India and ITC Sonar, the only hotel in the world to earn carbon credits (ITC, Sustainability in Action, Environmental Stewardship).

ITC Limited has envisioned a larger societal purpose. It has launched e-Choupal—a knowledge portal for providing various information and services to farmers; and Mission Sunehra Kal, a rural capacity building programme. ITC is also contributing for the preservation of art and culture.

ITC Limited has received numerous global honours over the years. ITC has won the 2012 World Business and Development Award for its social and farm forestry initiatives at the RIO + 20 United Nations Summit in Rio de Janeiro, Brazil, held in June 2012.

- The mission statement of *Indian Oil Corporation Limited*, India’s largest commercial enterprise, states

the objective of the corporation as to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience. The use of the phrase “Indian Oil–India Inspired” in the corporate campaigns shows that the corporation regards almost all of the countrymen as its customers. The Indian Oil Foundation, a non-profit trust, is working to protect, preserve and promote the national heritage.

- The mission statement of *National Thermal Power Corporation (NTPC)*, India’s largest power generation and a maharatna company, on CSR states—be a socially responsible corporate entity with thrust on environment protection, ash utilisation, community development and energy conservation. It follows the global practice of addressing the CSR issue in an integrated multi-stakeholder approach covering the environment and social aspects (NTPC, NTPC’s integrated approach towards CSR). NTPC has received Golden Peacock Award for Corporate Social Responsibility 2012.

- The mission of *Apollo Hospitals Group*, a leading super specialty hospital, is to bring health care of international standards within the reach of every individual. The group has started several initiatives such as SACHI (Saving a Child’s Heart Initiative), SAHI (Society to Aid the Hearing Impaired), CURE (cancer care initiative) and DISHA (Distance Healthcare Advancement Project) to provide health care measures to economically backward persons.

Apollo Telemedicine Networking Foundation is the country’s single largest turnkey provider in telemedicine. Apollo hospitals have started the Billion Hearts Beating Campaign throughout the country in 2011. Apollo Hospital Group has won the G20 (Group of 20) Challenge on Inclusive Business Innovation Award. The award was presented at the G20 Summit at Los Cabos, Mexico held in June 2012.

- The scientists of *Defence Research and Development Organisation (DRDO)* have developed the bio-toilets based upon bio-digester technology as a part of DRDO’s CSR initiative to prevent open defecation.

Although the realisation of social obligation and responsibility by the corporate sector is being appreciated, it has been argued that the corporate sector is still not doing enough in this direction and its actions are being propelled by self-interest. That is why gaps have been observed in the fulfillment of the promises being made by the companies in their corporate social responsibility policies resulting in below standard performance.

According to the results of a global survey in 2002 by Ernst & Young, 94 per cent of companies believe that the development of a corporate social responsibility (CSR) strategy can deliver real business benefits, however, only 11 per cent have made significant progress in implementing the strategy in their organisation. The survey concluded that chief executive officers are failing to recognise the benefits of implementing CSR strategies,

despite increased pressure to include ethical, social and environmental issues into their decision-making processes (Asian—Oceanian Computing Industry Organization, Corporate Social Responsibility, ASOCIO Policy Paper, June 2004).

CONCLUSION

Traditionally, the business sector has been exhibiting socially, ethically and environmentally responsible behaviour in its performance, with laudable contributions by some of the business houses, yet this culture has not gone too deep in the governance process. In the present day context of widespread inequalities in the distribution of development benefits, emphasis on inclusive development, and compulsions of climate change, businesses must adopt responsible governance practices.

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Project CONNECT is being implemented in Andhra Pradesh, Karnataka and Maharashtra for mobilising private sector initiatives on tuberculosis and HIV/AIDS.