



**ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN PROMOTING
ECOLOGICAL SUSTAINABILITY: AN ANALYSIS OF INDIA**

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Abstract

Accelerated deterioration of resources and the quest for accumulation of wealth and unaccountability of organizations deteriorated the conditions. The contemporary age of changing conditions, adverse effect on climate, environmental depletion, increasing dependence on non- renewable resources, global warming has brought tremendous pressure on companies to be more responsible and eco- friendly, in fact it's a burning issue worldwide. The regulation by Companies Act since 2014 in India has legally mandated organizations to implement Corporate Social Responsibility(CSR) within certain criteria, which has brought some hope to work even better to sustain on Mother Earth. The major Focus is on the role corporate plays in order to ensure Ecological Sustainable Development; the parameters within which CSR activities take place. The research seeks to investigate the contribution for maintaining sustainability, reported drivers, potential benefits of CSR to companies and barriers while implementing CSR practices. To give readers an understanding of the CSR the research examines the themes discussed in the introductory section of this report, the study is conceptual and theoretical in nature. The study is carried out using thematic literature search. The study adopted a theme-based approach mainly based on extensive analysis of existing literature on CSR. Concepts, information, evidence and findings from literature were thematically extracted through the rigorous table study.

Keywords: Corporate Social Responsibility, Ecological Equilibrium, Holistic Activities.

Introduction

CSR is not a new concept in India and has been practiced in terms of charity and philanthropic activities since the inception of mankind. India is the first country around the world to legally mandate the practices of Corporate Social Responsibility (CSR) for the betterment of society. In 2013 under the section 135 (Schedule VII) of New Companies Act which was implemented from 1st April 2014 organizations which have net worth of Rs five hundred crore or turnover of Rs one thousand crore or above respectively have to compulsorily spend two percent of their three year total average profit each year on CSR activities (Ramesh and Mendes, 2015). The inspiration of my investigation comes from how the corporate instead of just focusing on their economic well off accumulating the maximum profits, organizations are now not only centered on profit maximization rather they are equally playing an important role for the betterment of society thereby bridging the equilibrium.. Although the roots of Corporate Social Responsibility (CSR) are not deep rooted since

it's still an emerging concept in Indian Perspective, organizations have been following philanthropic nature since ages. Now organizations not only work as the business entities rather they understand their responsibility towards the society and have full concern over the implementation and maintaining a sustainable ecological balance with a holistic vision. This inspires me to study the current scenario, the implementing practices, the challenges and barriers while execution of CSR. Readers will get insight into the domain of CSR in upcoming themes; further the researcher has subdivided the themes as and when required in order to make readers understand well.

Gap Analysis

Accelerated deterioration of resources and the quest for accumulation of more and more wealth and unaccountability of organizations deteriorated the conditions. The contemporary age of changing conditions, adverse effects on climate, environmental depletion, increasing dependence on non- renewable resources, global warming has brought tremendous pressure on companies to be more responsible and eco-

friendly, in fact it's a burning issue worldwide to conserve the earth and the resources left. The way we hit the health crisis and the Covid -19 pandemic medical researchers expecting covid to be an endemic is an eye-opener for human species to care for Mother Earth or else it will continue to occur in nearby months and years severely affecting the future generations (Feldscher, 2021). There is also necessity to relook on the actions done by humans thereby constantly disrupting the environment. To protect and bring back the natural state there is need for each and every individual, communities, organizations to assess their actions. A recent study by (UNEP, 2013) stated that by the end of 2000-10 more than thirteen millions hectares of forests was lost in the name of development as a result of this ninety percent of the water bodies have persistent toxic chemical pollutants, in the upcoming fifty years greenhouse gasses are projected to double leading to rise in global surface temperature from three to six degree Celsius. Another study by World Bank, 2013 reported that the annual cost of environmental degradation in India alone is 5.7% of countries GDP (Prasad, Mishra & Bajpat 2019). The twenty-first century demands that organizations need to behave as "Responsible Corporate Citizens" (Goyal and Kumar, 2017). This is one main reason why organizations today are implementing CSR as it not only holds awareness of responsibilities towards society but it also ensures minimal negative impact on society and environment. Contemporary there is a pool of available literature on CSR, there is active engagement within organizations and different stakeholders this study aims to understand the role of CSR in maintaining ecological sustainable equilibrium.

The following study focuses on the mentioned objectives.

1. To analyze the current nature and trends in the practice of corporate social responsibility.
2. To gain an insight into diverse domains of engagement under the aegis of corporate social responsibility in contemporary context.
3. To gain an understanding of the challenges and constraints pertaining to the functioning of the corporate social responsibility initiatives.

Methodology

For this study to fulfill and evaluate objectives, completely secondary sources are used. The research enquiry is based on secondary

sources to collect data from past studies in this domain and published journals too are used. To give readers an understanding and Impact of the CSR on ecological sustenance the research examines the themes discussed in the introductory section of this review report, the study is conceptual and theoretical in nature. The study was carried out using thematic literature search. The study adopted theme-based approach mainly based on extensive analysis of existing literature on CSR. Concepts, information, evidence and findings from literature were thematically extracted through the rigorous table study. In this study pool of online literature reviews were found particularly in relation to the search term in Journal libraries, such as Research Gate, Google Scholar, Elsevier. The other way adopted was access to books and authors, scholars, reports. Descriptive methodology has been used to get insight into CSR in context with Indian economy and the resources have been critically reviewed. Thematic literature review has been done. The sources followed are generally from articles, book and Google Scholar as mentioned earlier

Literature Review

The contemporary CSR perspective is based on PM's ten point social charter 2007, guidelines of national voluntary CSR on social, economic and environmental responsibilities, 2011. If a company contravenes the companies act provision shall be liable for fine of rupees not less than 25 lakhs and punishable with imprisonment for a period which may extend to three years (Murthy, n.d.) CSR plays the role of filling the gap for those who find barriers in achieving social, environmental and economic resources (Hole, Hole and Bendale, 2019). There are three pillars on which CSR majorly focuses - the Environment, the Social and the Economic. Major organizations are responsibly centered towards social and environmental dimensions while the economic sustainability is the gearing force, as it is necessary aspects to perform the social and environmental duties. Over the last few years CSR concept is rapidly changing organizations and are actively involved in practices highlighted in the work of (Goyal and Kumar, 2017) issues like improper treatment of humans, environmental issues have begun to take account of companies CSR policy and are sensitive to CSR programs. And it was realized that the enforcement of CSR under companies act 2013 will bring massive economic growth. Leading Indian companies have joined hands for bringing effective implementation of CSR activities. For the activities to be performed

under CSR, a global platform has been established to bring all the activities performed

by CSR under one umbrella.



Source: Samman and Nashmi, 2016. Effect of corporate social responsibility on nonfinancial organizational performance: Evidence from Yemeni for-profit public and private enterprises. The diagrams shows over the last couple of years how CSR has widened its dimension in the triple bottom line(Planet, People and profit). The dimension have been growing continuously from the charity to philanthropy to creation of shared values thereby playing the role of responsible corporation. Environmental protection is no longer an exclusive function of manufacturing, according to the TBL method of thinking about organisational duties. Instead, environmental protection becomes a function of the administration, to be included into environmental business management concerns. Despite the fact that the link between environmental protection and economic growth has been distinguished by incompatibility across time. Companies might benefit from environmental postures because of their efficiency and effectiveness. Gains in the stock market, increased capital getting capability, and risk reduction According to the author, In crucial regions, strong socio-environmental performance ensured public recognition. Because it did not just strive to improve productivity and employee identification with the firm, it also improved the economic, environmental, and social elements(Costa et.al.,2022).

To give readers an insight into the various initiatives taken for holistic development by the Indian organizations, are described in detail in the forthcoming.

1. “Project – Drishti” Reliance group of Industries started a project named “Drishti” to bring back the lost vision, working for the eyesight of the visually impaired Indians belonging from the economically unwell and weaker sections of the Indian society. The

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project has given new life to approx five thousand people so far.

2. “Companies like Imperial Tobacco Company of India Limited (ITC)” have started the step to educate the farmers for their essential development and bring ideas to boost in business strategies which will ensure better standard of living to them.

3. “Maruti Suzuki India Limited” have taken the initiative to build schools ensuring better medical facilities, availing better opportunities by providing adequate means to livelihood through rural development. Issues related to climate change like global warming too are covered by this industry. Company is constantly capitalizing on environment friendly practices. The concept of reduce, reuse and recycle has been promoted by manufacturing companies, working on preservation of environmental and natural resources illustrated by(Sharma, Sharma and Kishore,2013).

4. “Mahindra and Mahindra” launched a portal named as employee social option in order to ensure each employee within the organization is active for the environment and is accountable for the actions they perform(Gujrati, 2017).

5. “Bharat Petroleum Corporation Limited have adopted villages for their development including school development, hospital facilities and making themselves capable for further improvement. “Hindustan Unilever Limited has focused on education of girl child, building infrastructure, providing sanitation facilities, promoting campaigns for self-reliance by providing education, vocational training and business skills, focusing overall holistic development.

6. “Information and Technology Industries like Infosys, Tata Consultancy Services (TCS) and Wipro” have developed tools and software to ensure better education to children and easy access by teachers.

7. “Audit company Klynveld Peat Marwick Goerdeler(KPMG)” partnered with organizations

to provide guidance and evaluation for corporate sustainable responsibility and CSR, since there is constant protest by locals over the land for the accelerating economic expansion.

8. “GlaxoSmithKline Pharmaceuticals” executing CSR programs by focusing on health and healthy living, working in Tribal areas where they ensure providing free medical check-ups and treatments, organizing health camps and awareness programs each year respectively.

9. “Oil and Natural Gas Corporation(ONGC)” conserving wildlife, Eastern Swamp Deer Conservation project is working to conserve the extinct species of deer at Assam in Kaziranga National Park. Along with this ONGC is working through mobile medicare units to ensure community health based care services in remote areas, spending approx 0.75-1% of annual net profits for providing education to the less and under privileged classes, building schools.

10. “System Analysis Program Development (SAP) India”, with partnership in hope foundation(an Ngo which works for better life to Indian poors and the needy) is working for the rehabilitation programs for those victimized by tsunami.

11. “Western India Palm Refined Oils(Wipro) an organization of Azim Premji” is promoting education with special focus on backward classes of India and working on empowerment of women too.

12. “Tata Group Firms including the Tata Steel and Tata Motors” are one of the most admired companies around the globe for the initiatives they undertake in CSR as conducted by Nelson in a survey. Tata consultancy services is one of India's largest software companies and has won the Asain CSR award for ongoing commitment and providing different programs for the development without adversely affecting the natural resources.

13. “Infosys The Infosys foundation” set up in 2009 promotes health campaigns, supports culture and rural development. Pharma Company 'Jubilant Organosys Limited' along with the government of Uttar Pradesh runs a program for anti- tuberculosis, other than this is working for building of schools and hospitals for the encouragement of public private partnership to maintain infrastructure.

14. “Steel Authority of India Limited(SAIL)” has initiated CSR programs by providing health and medical care facilities, education and conservation of environmental resources, women empowerment and adequate means to livelihood by providing sanitation, food and drinking facilities.

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15. “Indian Airlines and Bharat Heavy Electronics Limited (BHEL) ” are currently working on rehabilitation of victims of disaster, and have adopted near about 80 villages for the holistic development of the pupils(Gujrati, 2017).

A study conducted by Goyal and Rahman(2015) studied that through different initiatives CSR has not only survived and there is organizational achievement with the targeted objectives but also CSR has fulfilled the social objectives.

Barriers & Challenges

Examination through the study concluded that still there exist challenges to determine a strong and innovative CSR strategy which can ensure ethical, environmental and stakeholders objectives(Goyal and Rahman,2015).

1. Insufficient knowledge about CSR

CSR is a concept generated for the idea of creating awareness of organizations about their responsibilities towards the society. CSR as an ethical issue raises the need for transparency to stakeholders(Faisal, 2010). Still the concept of CSR has vagueness and often used in relation to corporate governance, corporate citizenship, business ethics etc. CSR is an action that is implemented for social good, the responsibility of the firm which is legal by law. Absence of knowledge and awareness about CSR is one of the restrictions in the path of development.

2. Absence of Community

Involvement and lack of community interest is often the most common problem pertaining to CSR. Due to low level of knowledge and lack of awareness there is no community engagement. The situation is even worse since no communication takes place between Community and grassroots organizations.

3. Lack of Transparency

Many companies do not publish their audits, data and the evaluation of their funds. The lack of transparency has an adverse impact on the process of building trust between the organization and the stakeholders which cripples the CSR efforts at the grass root level. Most corporations do not like being criticized and they tend to focus and attention on a specific set of stakeholders rather than others. It is necessary to engage in listening activities as described by academicians ‘active listening’.

4. Failure to see CSR as Innovation Good

CSR encapsulates continuous innovation that connects the firm's business model; it is used for recognizing markets, technologies and approaches. In this milestone work by Aggarwal & Kadyan(2014) found that there is a growing trend among companies to use eco

labels and certifications to promote their contributions towards saving the planet as a marketing gimmick. It is observed that whenever an environmental disaster occurs, the firms intensify their CSR and green marketing initiatives in order to enhance their public image.

Conclusions

CSR holds a very crucial place in the developmental criteria of today's world and is a tool for completion of sustainable development goals. Organizations have shown great concern for their communities and stakeholders and much of the belief of societies welfare lies in the hands of corporate today(Sharma, Sharma and Kishor, 2013). Although CSR is a more widespread concept, it has developed at various stages for being socially responsible, community involvement, and responsible production. As even discussed earlier, CSR earlier was more religiously dominated by colonial rule. During industrialization it expanded to the well – being of common people by a certain portion of wealth from businesses. The reforms particularly in the field of economics contributed majorly to the social objectives from traditional CSR to strategic CSR(Mukherjee, 2011).

The firms which took environmental and social concerns resulted in exports and market penetration due to liberalization and globalization, now the corporate are more interested to comply with international standards. The impact encouraged more companies both existing and growing ones, rigorously working to adopt more socially responsive behavior and it boosted the company's brand value and reputation. Further development of stakeholder-oriented strategies, inclusion of clear definitions of essential aspects of CSR, enhancement of methodology for corporate social performance, and stringent assessment of CSR activities and outcomes might all help to improve CSR implementation. CSR is still considered as a method for businesses and organisations to contribute to sustainable development, with the UN SDGs serving as an overall guide and providing opportunity for companies to connect their CSR strategies with the revised sustainable development agenda(Riano and Yakovelva, 2020).

Limitations

The majority of studies on CSR however, are still embedded in the economic and contexts of Europe and the US, very few empirical studies have explored multiple aspects of CSR in terms of environmental balance in India both theoretically and empirically. CSR is still considered to be a western phenomenon due to

weak institutions, appeal systems, and standards which continuously challenge the existing corporate CSR practices.

Recommendations

Although, there are some anecdotes from case studies that firms by focusing on social responsibility improve environmental performance, a firm involved in manufacturing recycled paper reduced its wastewater by engaging in social responsibility, but study lacks findings over longer period of times, there is lack of empirical studies, in developing nations. Further Researchers should focus on empirical Studies for understanding Sustainable Corporate Responsibility.

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