CORPORATE SOCIAL PERFORMANCE IN INDIA

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Abstract

In today’s competitive market environment, business is confronted with a new set of challenges that are not only economics-related but also society related. To survive and prosper, firms must bridge economic and social systems. Maximizing shareholder wealth is necessary but by no means of destroying the rights of the society. Furthermore, business must proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Now-a-days implementing social responsible programmes become necessary for every business organization. Corporate social performance has now become a part of agenda of every business managers, academics, stake holders and all other groups.

Key Words: Sustainable Responsible Business,
Competitive Advantage, Community based development
Projects, Self regulating mechanism, Brand image
Introduction:

Corporate social responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance, is a form of corporate self regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its adherence to law, ethical standards, and international norms. Consequently, business would embrace responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. The term Corporate Social Responsibility (CSR) came into common use in the early 1970s, after many multinational corporations formed, although it was seldom abbreviated. The term stakeholder, meaning those on whom an organization's activities have an impact, was used to describe Owners beyond shareholders as a result of an influential book. (Source: Text book by R Freeman)

Enderle & Tavis (1998) define corporate social responsibility as "the policy and practice of a corporation’s social involvement over and beyond its legal obligations for the benefit of the society at large". According to the definition of Angelidis and Ibrahim, (1993), corporate social responsibility is "corporate social actions whose purpose is to satisfy social needs". Lerner and Fryxell (1988) suggest that CSR describes the extent to which organizational outcomes are consistent with societal values and expectations. At its grassroots, being socially responsible has been a concern very much related to the rationale that businesses are more likely to do well in a flourishing society than in one that is falling apart (McIntosh et al., 1998). Over the past decades both the concept and the practice have evolved as a reflection of the challenges created from an ever-changing society.

CSR is continuous process of building reputation and long term value of the organizations. Customers will prefer to purchase the products/services from the businesses they respect. CSR is not new to India; companies like TATA and BIRLA have been absorbing the case for social good in their business for decades long before CSR become a popular cause. In spite of having such life size successful examples, CSR in India is in a very nascent stage. It is still one of the least understood initiatives in the Indian development sector. It is followed by a handful of public companies as dictated by the very basis of their existence, and by a few private companies, with international shareholding as this is the practice followed by them in their respective foreign country. Thus the situation is far from perfect as the emphasis is not on social good but rather on a policy that needs to be implemented.

India is a fast growing economy and is attracted many multi national companies for operating their businesses. At the same time, India is also facing a lot of social problems like poverty, corruption, illiteracy and population growth, etc., it is the time to understand and initiate the CSR programmes to create an enabling environment for equitable partnership between the civil society and corporate sector.

Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its adherence to law, ethical standards, and international norms like as shown in the below figure..
A lack of understanding, inadequately trained personnel, non availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. further adds to the reach and effectiveness of CSR programmes. But the situation is changing. And CSR is coming out of the purview of ‘doing social good’ and is fast becoming a ‘business necessity’. The ‘business case’ for CSR is gaining ground and corporate houses are realizing that ‘what is good for workers - their community, health, and environment is also good for the businesses.

Some companies are engaging CSR methodologies as a strategic tactic to gain public support for their presence in global markets, helping them sustain a competitive advantage by using their social contributions to provide a subconscious level of advertising. (Source: Fry, Keim, Meiners 1986).

Global competition places particular pressure on multinational corporations to examine not only their own labour practices, but those of their entire supply chain, from a CSR perspective.

**Social responsibilities by some giant corporate companies:**

An approach for CSR that is becoming more widely accepted is community-based development projects, such as the Shell Foundation's involvement in the Flower Valley, South Africa. Here they have set up an Early Learning Centre to help educate the community's children, as well as develop new skills for the adults. Marks and Spencer is also active in this community through the building of a trade network with the community. In India also we have good examples on csr practices.

**CSR of BYRRAJU Foundation:**

Satyam Computer Services Ltd has announced that its global healthcare practice, working with the Byrraju Foundation, has implemented a program to provide tele-electrocardiograms (ECGs) to patients in remote areas of the country who would otherwise have no access to such care. Launched late last year, the program already covers some 3.5 million people in rural villages across India, and is delivered through the Byrraju Foundation's Ashwini Centers, local facilities that provide high-quality healthcare, education, agriculture, and job training for villagers. In the past, patients would have had to travel to a city, at great cost, to receive an ECG or imperil their health by not having one at all.
"With this capability, we're able to treat many more patients from a central location", said Dr. Arun Kumar, "and it's become much easier for village clinics to identify patients who require immediate care."

As a provider of integrated, end-to-end healthcare solutions, Satyam was able to deliver a system that effectively and affordably operates in areas with minimal communications and computing infrastructure, providing complete clinical functionality. SN Informatics, a technology alliance member in the project, provided its software for free.

"As a non-profit organization, we are always conscious of creating self sustainable, cost-effective models," said Byrraju Foundation Lead Partner V S N Raju. "Satyam has helped us in identifying and implementing scalable and affordable technology that meets our needs."

The program, which was started on October 02, 2007, enables patients in rural villages to have an ECG conducted at a local Aswini clinic while doctors at hospitals such as Narayana Hrudayalaya (NH) in Bangalore offer immediate interpretation, as well as teleconference consultations. The first service was provided in Jinnuru Village and has since spread to 30 of the Byrraju Foundation's 32 Ashwini centers. As of late January, already 2,878 interpretations had been recorded. Of those, 576 patients were referred to a physician for further investigation and 18 required immediate medical attention.

Satyam's global healthcare practice provides telemedicine, emergency management, EHR, EMR and portal solutions to physicians, hospitals, and research facilities worldwide. Among other projects, Satyam is currently working with the Canadian government and has established the Satyam IEHR Centre Canada at Mohawk Applied Research Centre for Health Informatics to develop an Interoperable Electronic Health Records (iEHR)-Reference Implementation, which prototypes advanced data interoperability standards for the country. Satyam is also working on an EHR implementation for the National Department of Health in the Republic of South Africa. "Satyam is ahead of the curve in areas like Emergency Management Solutions and we are seeing a lot of interest in our EHRs and Telemedicine solutions, said Prasad Dindigal, VP and Global Head of Healthcare Provider at Satyam. "Our strategy is to focus on integrated healthcare by bridging the gaps that exist today, as we did with the tele-ECG, and create interoperability between systems to provide solutions that benefit the populace at large." Currently, the Foundation operates in around 131 villages in Andhra Pradesh. The CRT, set up on Medchal road here, claims to provide a conducive environment for development scientists, beneficiaries and other stakeholders to develop creative solutions for issues impacting quality of rural life.

**End point:** Corporate companies must initiate Social Responsibility programs that can be further streamlined, focused and converged to a powerful force of intervention.

Company’s must constitute an association on the current status of their social responsibility and thereby facilitating both the NGOs and the common man an understanding of the various initiatives undertaken by corporate companies and the role that is played by the government in the field.

The concept of strategic alliance as a tactic to gain public support has to be minimized, as tactics will work only for short term gains and only aims at competitive advantage rather than public interest and service. In today’s competitive world, it is became necessary for every corporate company to engage some socially responsible projects, in that way they can gain good support from the people and ultimately it helps to improve the brand image of their products.
References:

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