



CORPORATE SOCIAL RESPONSIBILITY AND CONTRIBUTION OF SUSTAINABLE COMPANIES

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Abstract:

Amidst a contemporary culture of climate awareness, unprecedented levels of transparency and visibility are forcing industrial organizations to broaden their value chains and deepen the impacts of Corporate Social Responsibility (CSR) initiatives. This article will support on the study of corporate social responsibility and sustainability. Corporate social responsibility is now accepted as a means to achieve sustainability goals of an organisation and world. The objective of the study is to know the importance and impact of corporate social responsibility and sustainability and also fill the gap between various studies of corporate social responsibility. Secondary data is the source of study under this article. The Findings of the study show that a lot of study has been done in this field but by changing climatic and global scenario in world for sustainable development there is lot of points that were not taken into consideration.

Key words:

Corporate social responsibility (CSR), Sustainability, Sustainable development goals (SDGs).

Introduction:

The term corporate social responsibility (CSR) was first coined by an American economist and Grinnell college president, Howard Bowen in the year of 1953 and he is often referred as a father of corporate social responsibility (CSR). It is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. It is also called corporate citizenship. According to companies act 2013 section 135(1) “every company having the specified net worth, turnover, or net profit must establish a CSR committee”.

A lot of study had been done in the field of corporate social responsibility (CSR) before the setting of sustainable development goals (SDGs). And with the change in climatic conditions, environmental pollution, ozone gases, man-made pollution factors have increased the importance to study about the

sustainability and its relations with corporate social responsibility. The present study aims to know about corporate social responsibility and its relation with sustainable development goals in India. It also tries to study about Indian government initiatives towards the attainment of sustainable development goals (SDGg) by correlating it with corporate social responsibility.

According to William Clay Ford Jr. Chairman of the board and CEO of Ford Motor Company, “There is difference between a good company and great company. A good company offers excellent products and services. A great company also offers excellent product and services but also strives to make the world a better place” Securities and exchange board of India (SEBI) had made it compulsory for the entities registered on stock exchange to prepare its ‘business responsibility and sustainability reporting’ at the end of its financial year. Objective of the study is to fill the gap in various studies related to corporate social responsibility and sustainability.

Review of literature:

Abdelkabir Elouidani (2015) Article is on corporate social responsibility and financial performance measure by several indicators. The findings of the research show a negative and insignificant effect of CSR on financial performance on the selected companies on Casablanca stock exchange between 2007 to 2010. It is the negative impact which influences significantly large companies, which means CSR is a mandatory factor.

Amr EIAIfy (2020) scoping the evolution of corporate social responsibility (CSR) research in the sustainable development goals (SDGs) era. By result of this paper provide an in depth discussion into strategic community, company, consumer, investor, and employees. Its findings provide a timely and descriptive overview of how CSR research has approached the SDGs and which one are being prioritized.

Benedict Sheehy (2021) examines the difference between corporate social responsibility, sustainable development, and corporate sustainability, and does their study or application is relevant & matters. The aim of the study is not to end the discussion or debate but to add precision to this important area of work and provide a foundation for further discussion. The difference between all of them is clearer and more useful.

Carol A. Tilt (2016) A research on importance of Context of corporate social responsibility. This paper discusses three contextual issues that warrant more and improved consideration in CSR research, with particular emphasis on CSR reporting research. According to the research social-political environment, legal systems, cultural factors have significant effect on applicability of various theories to CSR in countries like China, UK, Sri Lanka, US and Australia.

Christopher Wickert (2021) Corporate social responsibility research in the journal of management studies. A shift from business centric to a society centric focus. The study outlined three emergent avenues for future research, the reintegration of government shaping, CSR the need to reorient the dependent variable used in CSR research toward tangible social and ecological outcomes, and the importance of CSR research tackling interrelated societal crises such as the Covid-19 pandemic and the climate crises.

Claire Jane M. Burns (2019) Is a case study on a key to Australian finance directors improving their organisation's CSR culture. It is conducted leading up Royal Commission for misconduct in banking, superannuation and financial services industry. A few directors consider CSR and sustainability as important factor and rest gives importance for profit in long run and short run as primary objective. It focuses 'why' of the finance industry's values which exposed some of the "what" and "when" of director behaviour.

Dr. Parvat.R. Patel (2020) A research study on corporate social responsibility in India- a path to achieve sustainable development goal. The research paper attempt to analyse several aspect of the new CSR law, why and how social welfare and country's economic development? What are the potential benefits of CSR to companies? The study conclude that government has introduced CSR because they want corporations to became more responsible for its stakeholders and society at large.

Dr. Reema Shyam (2016) An analysis of corporate social responsibility in India. The research paper aims at providing an understanding of concept of CSR and analysis the development of CSR in India. According to research paper CSR is facing several challenges in India. And gives suggestions to overcome and accelerate the CSR initiatives in India. It also highlights governing policies of CSR in India and also the CSR initiatives in Indian firms including SMEs role in CSR.

Dr. Vruswhali Rajaram Kadam (2020) A study of selected large scale companies and corporate social responsibility practices. The research paper tries to explain the importance of corporate social responsibility in today's global era. It also gives picture about the CSR focus areas in which the large scale companies are carrying out their activities more intensively. The findings show many companies follow the rule of corporate act so before the implementation of CSR and some do not adherent the same.

Emilio Abad-Segura (2019) A review of literature on the sustainable approach to corporate social responsibility, a global analysis and future trends. The explicit aim of the article is to determine the relevance of corporate social responsibility and its relationship with sustainability, in order to establish trends and future lines of research. The study shows that global research has been on upward trend with optimal publication rates in recent years for CSR and sustainability.

Hassan M. Hafez (2016) The study is on the topic corporate social responsibility and firm value of the companies registered on Egypt exchange. The purpose of the research is to evaluate the effect of CSR on firm value and financial performance. The study findings prove that CSR have insignificant negative impact on firm value and a significant positive impact on firm financial performance in Egypt measured by Return on Assets (ROA) and Return on Equity (ROE).

Hortensia Gorski (2014) A research on corporate social responsibility in the development region centre Romania. The objective of this research is to find the level of awareness about corporate social responsibility concept and to know how CSR activities planned and organised at centre development region Romania. Results of the study shows that in the surveyed organisations CSR practices are not enough understood, used and recommendations were provided accordingly.

Hortensia Gorski (2017) A study of essential topic for business education on sustainability and corporate social responsibility. The purpose of the research is to examine different aspects and approaches regarding sustainability, sustainable development and corporate social responsibility in relation with business education. The literature review underlies the fact that the concept related to CSR and its components are not well known by the managers of the companies and public institutions. The findings also show people have knowledge about CSR from outside the formal education system.

Jae-Eun Lee (2022) A research paper on the impact of corporate social responsibility performance feedback on corporate social responsibility performance of the behavioural theory of the firm in Korea. The study presented evident that positive social and historical performance feedback had a positive effect on CSR performance. The results show firms with higher social and historical CSR performance then CSR aspiration may have higher CSR Performance then those that do not.

Mr. Ravindra Kumar (2021) Article on corporate social responsibility and its issues and challenges in India. The study basically concerned to understand the present scenario of corporate social responsibility. And recommended to take time bound steps to mainstream its CSR. A few recommended focus point of the study is to introduce awareness, partnership between stakeholders, pooling resources, intervention in rural areas, incentives and exemptions, participatory approach, CSR as a subject, accreditation mechanism. Pooled resources etc.

Rabinarayan Samantara (2020) A review of literature on corporate social responsibility in India, it's issues and challenges. The objective of the study is to discuss the CSR provisions in India, acceptance and implementation of CSR by Indian companies and to suggest various measures for ensuring improved CSR practices in India. The findings of the study shows that sustainability reporting is gaining importance these days because of the growing recognition of issues related to Sustainability.

Rosy Ahluwalia (2018) Is a research paper on corporate social responsibility in India- evolution of philanthropic practices. It traces the growth of CSR practices in India through the passage of time and also put the perspective trends in CSR activities. The study shows, there is more transparency in reporting of CSR in companies on their official websites, publishing CSR and sustainability reports and annual reports. The coming years will reveal new perspective get enforced at the ground level.

Rui Yan (2022) The impact of corporate social responsibility on sustainable innovation. A case in China's heavy pollution industry. The objective of the research to explore the impact of corporate social responsibility fulfilment and disclosure on enterprises sustainable innovation capacity. The result of the study provides empirical evidence that CSR is positively associated with sustainable innovation. And business environment can serve as moderator between CSR and sustainable innovation.

Sheshadri Chatterjee (2022) A research study On corporate social responsibility in post Covid -19 period. The purpose of this study is to find or identify success factors of corporate social responsibility (CSR)in the post Covid 19 period and identify the cause effect relationships amongst the critical success factors (CSF).

Findings of the study shows that using DEMATEL method, an analytical model showing Cause effect aspect which were emphasised by firm to execute better CSR in post Covid 19 era.

Victor Meseguer-Sanchez (2021) A bibliometric analysis of the interrelations in corporate social responsibility and sustainability. The research aims to analyse the relationship between the concepts of corporate social responsibility and sustainability in order to understand the advances of current scientific production. A line of research also proposed includes proposal from the 2030 agenda for sustainable development goals.

Objective of the study:

Following are the objectives of the study:

- a) To explore the gap between various literature on corporate social responsibility and sustainability.
- b) To investigate importance of the study of corporate social responsibility and sustainability.
- c) To examine the CSR contribution of top companies in India.
- d) To know about government and regulating bodies initiatives for corporate social responsibility to achieve sustainability goals.

Importance of the study:

Corporate social responsibility plays a vital role in the achievement of organisational goal and to make a social image in the market. A company can use various methods to benefit the society with its various activities for example,

- Environmental protection activities.
- Charity activities.
- Ethical labour practices.
- Various volunteer projects.

Corporate social responsibility and sustainability bring sustainability and corporate sector goals together which will automatically benefit the organisation as well as the society, environment and climatic conditions. Earth is suffering from global warming, drastic impacts of climatic change and greenhouse gases so it became the responsibility as well need for the corporate to take the steps to safeguard the environment and make a sustainable future for the upcoming generation. The following point would show why the study and application of corporate social responsibility and sustainability became importance-

- International economic groping.
- Global warming.
- Ozone depletion.
- Drastic impacts of climate change.
- Landslides.

- Increasing sea level of water.
- Cyclones.

All the above mentioned changes is seen in the environment year by year which leads to finishing of resources for our upcoming generation, and now it became a need to study and implement the corporate social responsibility policies (CSRp) as accord with sustainable development goals(SDGs).

Research methodology:

In the article secondary data is used to complete the study to achieve the objective of the study. Annual reports of top public companies are used to check various indicators and their contribution towards corporate social responsibility. A systematic study is done on various literatures to know the gap between various researches and to know about government role in the development of corporate social responsibility goals and to achieve that of sustainable development goal.

Results and discussion-

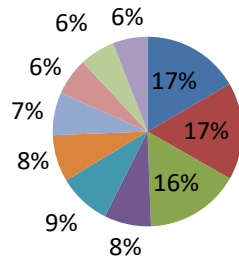
CSR contribution of top 10 companies in FY 2021-2022

SR.NO.	COMPANY NAME	CSR CONTRIBUTION (in crores)
1	Reliance Industries Ltd.	737
2	HDFC Bank Ltd.	733.86
3	Tata Consultancy Service	716
4	Oil and Natural Gas Corporation	354.27
5	Infosys Limited	396.7
6	ITC Ltd.	354.27
7	Indian Oil Corporation Ltd.	323.14
8	NTPC Limited	281.8
9	Tata Steel Ltd.	266.57
10	ICICI Bank Ltd.	261.73

Source from : indiacsr.in

CSR CONTRIBUTION (in crores)

- | | |
|-------------------------------|-----------------------------------|
| 1 Reliance Industries Ltd. | 2 HDFC Bank Ltd. |
| 3 Tata Consultancy Service | 4 Oil and Natural Gas Corporation |
| 5 Infosys Limited | 6 ITC Ltd. |
| 7 Indian Oil Corporation Ltd. | 8 NTPC Limited |
| 9 Tata Steel Ltd. | 10 ICICI Bank Ltd. |



Explanation: The above table shows top public companies and their contribution towards corporate social responsibility in the year of 2021-22. With the CSR budget of 737 crores, Reliance industry limited is on top of the list. HDFC bank is coming at close second with a CSR budget of 733.86 crores. Tata consultancy service is contributing 716 crore rupees for corporate social responsibility. These top companies were committed to using their resources for the greater good and made significant contribution towards improving the lives of underprivileged communities.

Findings-

The study answers the various questions “Why the study of corporate social responsibility is important’ sustainability is related with corporate social responsibility (CSR) goals”. As above discussed there are a lot of view on sustainability and corporate social responsibility and their correlation with each other. We can see that there is positive relation in sustainable development goals and corporate social responsibility to save the climate and environment. The global adoption of corporate social responsibility has shifted what society would expect from corporate firm in terms of their responsibility towards the communities and their role as leaders in the global sustainable transition. The field of management and finance has given notable importance to sustainability as a goal of corporate social responsibility to build themselves as a global leader.

Finally, there would remain some of the areas in which there is less importance given by government and corporate sector to achieve sustainability. The aim of the study is not to end the discussion; rather it is to add precision to this important area of work and to provide foundation of further discussion and application of corporate social responsibility. Efforts should be made by the corporate and government sector to join the corporate social. Various underlying concepts can be treated as base for further and deep knowledge about the application of it under various government, semi government, private organisation. Small medium enterprises (SMEs) can also be covered under the preview of corporate responsibility and business sustainability.

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