CORPORATE SOCIAL RESPONSIBILITY: PUBLIC PERCEPTIONS IN INDIA

Year 2000

Research Director
Rajesh Chhabara

CSRWorld Consulting Pvt. Ltd.
88 Zamrudpur GK-1
New Delhi- 110048, India.

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FOREWORD

Corporate Social Responsibility (CSR) has arrived in India[1]. Globally, it is regarded as an integral part of management processes. The stress on CSR and its integration in business practices is a result of consolidated pressure on the corporations worldwide by civil society. Does the Indian civil society feel the same way about CSR? This paper explores the above question. However, before going to the main report, it is apt to attempt a definition of CSR. For companies:

Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders. The experience with investment in environmentally responsible technologies and business practice suggests that going beyond legal compliance can contribute to a company's competitiveness. Going beyond basic legal obligations in the social area, e.g. training, working conditions, management-employee relations, can also have a direct impact on productivity. It opens a way of managing change and of reconciling social development with improved competitiveness.

Corporate social responsibility extends beyond the doors of the company into the local community and involves a wide range of stakeholders in addition to employees and shareholders: business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment[2].

-Rajesh Chhabara

Chief Executive

CSRWorld Consulting Pvt Ltd

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[1] Corporate social responsibility an integral part of strategic planning Confederation of Indian Industry (CII) www.ciionline.org/news/pressrel/2002/mar/8mar01.htm

[2] Promoting a European Framework of Corporate Social Responsibility, EU Green Paper on Corporate Social Responsibility, 2001, Brussels.

INTRODUCTION

The CSRWorld survey April 2002 was conducted in order to find out the ideas, awareness and outlook people have of Corporate Social Responsibility (CSR) in India. Individuals surveyed were asked if they knew what CSR meant and if yes, then they were asked to explain the meaning of CSR. The survey enquired about the names of the domestic companies as well as MNCs in India that would fit in the socially responsible image of the respondents. Keeping in mind the worst form of exploitation which had been in the headlines in the western countries and is quite common in the southern countries, the survey asked the public "what is a 'sweatshop'?" and its meaning.

This survey is an initial attempt to understand what a common person in India understands about CSR and to identify that understanding with the depth of knowledge. The purpose intended for this survey report is to trigger consciousness, discussions and discourse in this area. The questions formulated for the survey questionnaire were basic and simple keeping in mind that the respondents will come from different backgrounds. The sample of respondents was randomly selected in the public at large targeting the educated, newspaper-reading section of the society. The methodology consisted of sending questionnaire to potential respondents and face-to-face interview with the aid of the questionnaire.

RESPONDENTS' OVERVIEW

AGE GROUP

Most of the respondents were from the age group of 18-36 years. Within this age group, 38% of the total respondents fell in the category of 18-25 years and 41% in 26-35 years. Only 17% of respondents were aged above 35 years and 5 % above 45 years.

OCCUPATION

78% of the respondents were professionals like managers, IT professionals, editors, merchandisers and so on. The remaining respondents included business owners, students, and housewives.

QUALIFICATION

Most of the respondents had professional qualification. 43% of the total had professional qualifications like MBA, Informational Technology, Marketing diplomas, Sales diplomas and so on. 21% were graduates only and 25% postgraduates. The least number of people were undergraduates (14%).

CORPORATE SOCIAL RESPONSIBILITY?

Do you know what CSR is?

- Yes
- No
- Can't Say
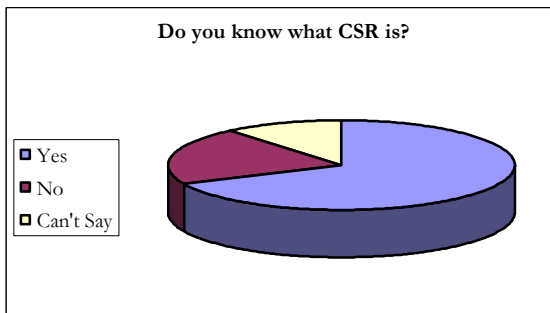
The first question asked to the respondents was whether they knew what CSR was. 68% answered 'yes', 21% said that they had no idea what CSR is. 42% of business people, 59% of professionals and 56% of others including housewives knew about CSR.

The next question was to explain the term CSR. Only 38% managed to answer this question. The answers ranged from a number of ideas. Very general statements like 'responsibility towards the society' came up. Amongst others, the main points mentioned are:

LABOUR WELFARE

Many respondents thought that CSR is about 'taking care of the employees/workers'. The answers were sometimes quite confused, like, ' social responsibility is something which decides the salary entitlement of the workers'. The best answer summarizes the ideas people have of CSR 'according to CSR, there is responsibility of the employers towards workers and their welfare. None of the responses included words like rights of workers, freedom of association, stakeholder dialogue etc.

ENVIRONMENTAL PROTECTION

According to respondents, social responsibility of companies also includes environmental protection. 'Companies should take the responsibility that they are not polluting the natural environment and resources in any way'. Environmental responsibility featured in more than half of the replies on what CSR comprised. There was no mention of sustainable development and triple bottom line, which are quite commonly used in the context of CSR

COMMUNITY DEVELOPMENT

Not surprisingly, many answers included community development as a main ingredient of being socially responsible. It fits in the philanthropic model of CSR, which has been prevalent in India for ages[3]. 'CSR is the responsibility of companies towards the communities in which they are operating.'

BUSINESS AND SOCIAL RESPONSIBILITY

Are Indian companies Socially Responsible?
☐ Yes
☐ No
☐ Can't Say
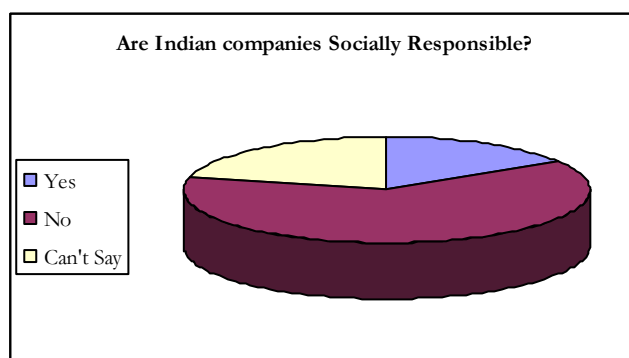
Indian companies are not regarded as socially responsible. 62% people have the view that Indian companies are all about profits and do not give any importance to their obligation towards the society in which they operate. However, there was some consensus on the socially responsible image of a few old business houses like the Tata group.
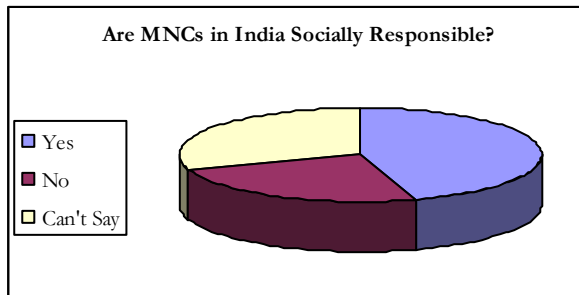

Socially Responsible Domestic Companies
☐ Tata Group
☐ Reliance Ind.
☐ Ranbaxy
☐ Infosys
☐ Birla
☐ Maruti Udyog
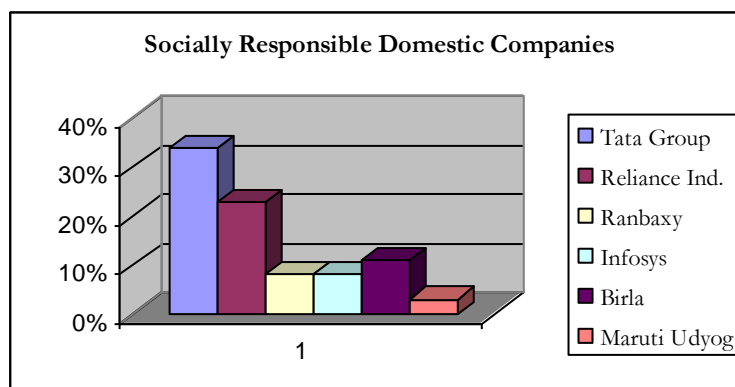
The greatest name in social responsibility in India is that of the Tata Group. 31% of the respondents included Tata group in their choice of three socially responsible companies. Next to Tata Group is Reliance industry

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[3] Mohan A (2001) Corporate Citizenship: Perspective from India' in The journal of Corporate Citizenship Vol.II March 2001

with 23%, Ranbaxy and Infosys jointly are in the third place with 8% each. The other companies mentioned are: Maruti Udyog, ICICI, ST Microelectronics, ITC, Phillips, Escorts, HCL, Hero Group and so on.

Are MNCs in India Socially Responsible?

□ Yes
■ No
□ Can't Say

The Indian public think multinational companies are more socially responsible. 45% say that MNCs are socially responsible. 25% think the reverse and 30% cannot say if the MNCs are functioning responsibly or not.

WHAT IS A 'SWEATSHOP'?

Do you know what a 'sweatshop' is?

□ Yes
■ No
□ Can't Say
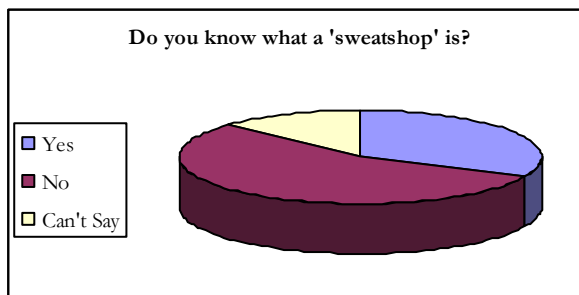
The information from this question suggests that the awareness of the term 'sweatshop' is low. 32% had the knowledge of sweatshops, although not many were actually able to describe it accurately. Some of the good response included 'workers employed in inhumane, exploitative working conditions', 'also includes child labour, labour and human rights violations'. Some examples of the responses, which show the lack of knowledge on this aspect, are- 'where workers are operating in bad conditions and the place smells of sweat' and 'a place where sweatshirts are made'. Anti-sweatshop campaigns is a popular movement in the west against big brands involved in labour and human right abuses in developing countries such as India, Bangladesh, Nepal, Pakistan, Sri Lanka and China which are cheaper destinations. However, from the survey we know that the awareness level of people in India regarding sweatshops is lower than an average American.

MAIN FINDINGS

➢ From the overall assessment, it can be said that the awareness of corporate social responsibility in the Indian public is low. Most of the people have come across the

term 'Corporate Social Responsibility' but the majority does not exactly know what it means and are unable to describe it properly.

➢ Indian companies are not considered socially responsible although, a few established names famous for the philanthropic model of social development programmes are mentioned frequently.

➢ Multinational companies operating in India are viewed as more active in taking up CSR mainly because their efforts are more visible in the form of supply chain management and do affect a change in the scenario.

➢ Most importantly, from the answers, it appears that the understanding of CSR among Indian public differs substantially from the western notions of CSR. Corporate social responsibility is considered something external to the corporation and not part of the main operations on contrary to the west views. Popular and most publicised terms like sweatshops do fine any takers in India.

About CSRWorld

CSRWorld is a leading professional organization, a pioneer in south Asia, promoting Corporate Social Responsibility (CSR). CSRWorld is a centre for and a source of new knowledge and insights for management with a human face. We, at CSRWorld, exist to discover and develop organizations to be socially responsible and accountable so that it may impact our world positively and deliver high value to business. Our work performed in collaboration with leading thinkers in business, academe, NGOs and research organizations, fuels CSRWorld's development of consulting services in corporate social responsibility. Headquartered in Delhi, CSRWorld offers a wide spectrum of services including social compliance audit and monitoring, CSR advisory, research, training and education.