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“ Corporate Social Responsibility: A comparative study of Legal Framework of India with developed Countries” Abstract Purpose: In light of the witness of the promptly changing landscape of Corporate Social Responsibility (CSR) in world, this paper explore to analyze the legal aspects of CSR in India , including the comparison of Indian CSR with other developed countries (U. S. A, Norway , Italy, Netherland and France).

Design/Methodology/Approach: This study is of qualitative in nature and author adopted critical approach to analysis CSR. Various secondary sources have been used to support this theoretical conceptual research such as recent newspaper articles, available published literature, company's research reports and government websites. Findings: Since ancient time CSR activities adopted by Indian companies in spite of this fact our study found low regulation and administration of CSR in India.

For Indian companies it is required to enhance their levels and depth of reported CSR. However, we do not see regulated patterns, nor do we see each country demonstrate very distinct patterns. Huge gap is identified in corporate social responsibility of India and developed countries.

Originality: This paper critically reviews the legal framework of India. This paper contributes towards theoretical development of CSR. Implications: This study insight the significant aspects of CSR legality. Beneficial to the companies and government for making of CSR strategy and enhancing different legal aspects of CSR. Papertype: Qualitative Paper Keywords:” CSR; legal framework; India; developed countries” 1.

INTRODUCTION The elementary idea beyond corporate social responsibility is

that of a uniting the state, civil society and the private sector. CSR marked the presence of a positive corporate culture that is too easily noticeable in the way of the company is handled and organized.

Recent years are evident that numerous initiatives have been taken for corporate social responsibility (CSR) policies that are specifically designed to encourage corporations for embracing the corporate social responsibility in way of more systematic, persuasive and prudent. Mostly, however, acquire from exertion by different government and non-government groups to attain basic to identify what different ways of companies are for relate to employees and communities. These progress depart from the more autonomous forms of CSR preferred in the developed countries and are having an important effect on brand image creation strategies of multinational companies in many countries." Corporate Social Responsibility (CSR) aims to better integrate social and environmental concerns into business routines on a voluntary basis." (Steurer 2009).

Although, CSR has been seen as a neo-liberal theory but it has slowly changed and grown up with more dynamic approach societal. (Godfrey and Hatch 2006) concluded that shareholder capitalism and business citizenship, apparently represent too stringent formation for persuasive guide to corporate action, government policy, or theorization of academic in context of corporate social responsibility. An empirical study (Matten and Moon 2004), acknowledged that CSR has not been a topical and abiding component of the public communication. In spite of several extensive principals for both enterprises and stakeholders there is always a persist strain on both global and local threat and opportunities (Hamann, 2006). Corporate social
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responsibility is essentially considered as a western aspect due to sturdy institutions, standards, and appeal systems which are sluggish in Asia for several developing countries (Chapple and Moon, 2005).

Such sluggish standards bearing a great challenge in front of corporates for exercising CSR in Asia for several developing countries like India.

OBJECTIVE OF THE STUDY 1. To critically review the Legal Framework of India

2. To do comparative analysis of CSR policies of India with developed

countries. RESEARCH METHODOLOGY Various secondary sources have been used to support this theoretical conceptual research that

includes: · Recent newspaper articles · Available published literature

· Government websites (European commission, world business council for sustainable development, mca. gov, OECD etc.) · Articles and reports

published by some renowned management consulting firms Critical review

approach has been taken to present and analyze the literature referred for

the paper and to examine the legal framework of India and developed

countries.

This paper reviews some of CSR evolving standards and regulatory

developments of India, second part of the paper focused on comparison of

India with developed countries like U. S. A, Norway , Italy, Netherland and

France . For the purpose of Comparison we have taken the basic two reports

of KPMG , 2016 and GSCSR, 2013 . 2. LITERATURE REVIEW Pouret al. (2014)

described corporate social responsibility as a continuous process of

commitment of universal business.

In the past few years' corporate social responsibility evolution and sustainability philosophy, trying hard to get along with different approach and rule to meet the standards of "responsible" enterprises. However, there is not any specific definition of corporate social responsibility has been consolidated, however the norms and standards are still developing. Result show that market value of share having negatives effective of corporate social performance but there is no existence of any relationship between Debt and equity behavior of the firm significantly. Deegan and Shelly (2013) examined in this research that what is the understanding of corporate social responsibility by the Australian business community's.

Study revealed that various stakeholder groups which are having different position within the Australian and the positions adopted elsewhere having lots of similarity. The maximization of shareholder wealth approach has been adopted by Australian business sector as well as they incorporated responsibility of social and environment. Author also emphasized on Personal Social responsibility (PSR). This is the debate that PSR leads CSR activities or not. Moreover, if PSR has been accepted easily than there should have not any kind of CSR or governments norms required. But question arises then what is the role would or should play by the educational institutions like universities.

There must be some form of social awareness as education should impart into the student to deal impressively with significant social and environmental issues. Buchner (2012) concluded that CSR should be called as an instrument that helps corporates to be stand in competition and built long term responsibility towards society. There were three basic <https://assignbuster.com/corporate-depart-from-the-more-autonomous-forms/>

components sustainability, corporate strategies and business process to leads profit in three elementary areas: bettered stakeholder relations, enhanced financial performance; improved risk and reputation management. This study acknowledged and revealed that what is the different scope of action of CSR and basic understanding of CSR. Corporate strategies impart CSR for risk and opportunity and involved itself for betterment of society and its sustainability. Zhao (2012) this paper analyzed strategy for political legality and also discloses how these strategies acceptable by the multinational companies, Russian companies and of course Chinese companies. Findings in this research give a qualitative approach which more emphasized on accomplishment of CSR activities of business leads political recognition and support.

The multinational companies, Chinese and Russian companies targeted CSR-based state management effort on the exploitation of current policies and demand of state's public management. Idemudia (2011) concluded that the still there is a huge scope of emerging southern perspective to reach the western CSR Potential. Author finds out the element of failure and critically review the role of government, perceived bottom-up approach to CSR enquiry and avoid a gradual research focus. It analyzed that critical context to CSR has begun to appear and has been involved to the maturation of dominant CSR agenda as well as challenging the often admitted assumptions in CSR discourse. However, it was suggested that while the CSR program is most preference and easily adopted in reality by developing countries but in Africa scenario is something different still long way to go to use its full

potential. Steurer (2009) introduced CSR as voluntary inputs towards sustainable development.

It then evolved a categorization of CSR policies and for analyzation purposes its imparted different types of instrument like economic, legal, partnering and information. On the basis of this precise narration of CSR policies, this study examined how CSR and specific public policies deal with changing pattern of regulation interms of business-government relation but that it has turned into very enlighten way of societal co-regulation in present years. Matten and Moon (2004) acknowledged in their study that in Europe CSR has not been long term component of the public communication because corporations handled and address issues of social responsibility in some different manner which is termed as implicit CSR by author. The past development of explicit CSR based on the reality of fact that several changes have been happened due to the increased pressure on business. Study also to rethink more deeply about CSR policies, practice and program.

According to the European Commission (2001, 2002, 2006), CSR is “ a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

Many enterprises are very open about the impacts of their activities on the social and environmental aspect, specifically related to various global CSR reporting standards and multinational companies were appearing (Sethi, 2003). On the other way, distinct studies show that, the most of CSR
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reporting standards are spontaneous and non-legally mandatory compliance and there is much extent for companies to choose the issues to be inculcated in their reports. A question arises that is of on the both theoretical and practical aspect whether these global standards are able to overcome the constraining its impact on environments of country and industry that nail the differences in CSR reporting. Several recent studies recommended that there is an important difference in attitude to CSR and Implementation of CSR all over the world. (Jamali and Mirshak, 2006).

An important study of Aguilera and Cuervo-Cazurra (2004) has argued that differences in CSR could be related to disparity in systems of government. (Aguilera et al. 2006) pointed that another noticeable discrepancy between the two countries UK and US markets.

The more consideration being paid by both companies and institutional investors in the UK on the long term basis risk related to social and environmental aspect.