
Emerging Opportunities or Traditions Reinforced?

An Analysis of the Attitudes towards CSR,
and Trends of Thinking about CSR, in India

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In view of the changes to the economy in India since liberalisation, and the rapid growth in certain industrial sectors/regions, CSR perception data is an important field to research. This paper reviews the definitions of CSR, taking account of some of the mood swings in the last decade. It presents the findings of a survey of Indian business people undertaken by the Indian Institute of Management, Bangalore's Centre for Corporate Governance and Citizenship in 2001. This survey provides a perspective on CSR perceptions of the urban, young managerial community in India. Results from other recent surveys are analysed to determine how CSR is being considered by sections of Indian society and to determine whether changing perspectives about CSR may be emerging. The paper considers how some of the CSR developments in India may affect strategic planning for both local and international corporations. It briefly presents case-based research findings on two new IT corporations' CSR initiatives and concludes by suggesting India may establish a unique position where CSR becomes a driving force for change.

- Corporate social responsibility
- CSR
- Corporate citizenship
- Research
- India
- Business
- Corporate strategy
- Perception
- Surveys

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How is CSR understood in India?

THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY IS NOT NEW TO INDIA. IT HAS been a well-established tradition in a number of organisations, particularly family-based companies with a strong community ethos. Historically it has been a significant influence, impacting on business, government and society relationships (Sundar 2000, Shrivastava and Venkateswaran 2000). It has been defined in a number of ways and, to a large extent, the discussions about 'what it is' have been confused by the variety of perspectives adopted. Rather than attempt an all-encompassing definition, this paper will commence by reviewing a number of themes developed both in India and in other countries.

Kumar *et al.* (2001: 1-6) suggest that four models of social responsibility can be identified as operating in India:

- ▶ Voluntary commitment to public welfare based on ethical awareness of broad social needs: the Gandhian model
- ▶ State-driven policies including state ownership and extensive corporate regulation and administration: the Nehru model
- ▶ Corporate responsibility primarily focused on owner objectives: the Milton Friedman model
- ▶ Stakeholder responsiveness which recognises direct and indirect stakeholder interests: the Freeman model

This framework emphasises that CSR emerges from corporate responsiveness to: charity and support of those in need; state-driven notions of responsibility defined by legal requirements; the need to sustain business based on fulfilling risk takers' expectations; and the need to take account of all those affected by corporate decisions—society and the environment as well as the economically interested stakeholders.

Researchers on ethical orientations of managers in India (Chakraborty 1997; Fisher *et al.* 2001) suggest that changing business patterns since liberalisation in 1991 promote more pragmatic and 'Western-style' ethical stances. This suggests that, while the Gandhian, Nehruvian and stakeholder models of CSR are understood and 'idealised', the Friedman model may be more influential. The findings from the UNDP survey (discussed in more detail below) endorse this notion.

It is also evident that the recent analysis of CSR elsewhere has relevance in India. Van Marrewijk's reflections on the relationships between corporate sustainability and CSR resulted in a model emphasising five 'interpretations' which are represented in Figure 1 (Van Marrewijk 2003). This reinforces and extends the notions noted above.

While these 'interpretations' help to clarify different approaches, it should be noted that they are not mutually exclusive. Overlaps between two or more approaches or multiple orientations may occur within the one organisation.

Waddock's (2004a) 'parallel universes' paper compares the progress of CSR and corporate citizenship (CC) movements in the last two decades. It traces the themes of CSR and the emerging academic interpretations and corporate responses. Her work suggests the 'idea of CSR' has progressed through a number of phases and/or parallel themes: 'corporate social responsibility', focused on charity and stewardship; 'corporate social responsiveness', a more 'pragmatic, practice oriented' approach focusing on boundary spanning; 'corporate social rectitude', a concern for ethics and values; 'corporate social performance', a focus on the processes and outcome evaluation; and finally 'cosmos, science and religion', an orientation towards 'naturalism', systems and spirituality. Waddock then reviews the developments relating to stakeholder theory,



CSR = corporate social responsibility CC = corporate citizenship TBL = triple bottom line

Figure 1 CSR 'INTERPRETATIONS' MODEL

corporate citizenship and corporate reputation. She highlights the tensions that have emerged relating to the development of CSR as a management approach and the process of reporting, auditing and assurance and concludes that, while much has been written about CSR, practice in this arena seems to be lagging. These two themes and this concern are clearly evident in the literature relating to CSR in India ranging from earlier papers (Shrivastava 1995) to more recent work (NSE/NIFTY 2003; Jose *et al.* 2003; Sankaran 2003).

Matten *et al.* (2003) build on the conceptual models drawn from business ethics, stakeholder theory, corporate citizenship, citizenship and political theory and globalisation studies to conclude that CC represents a new era of changing relationships between business, society and government. They suggest that, with the decline of government influence, corporate citizenship is a new requirement. It is an 'urgent problem in itself', rather than a 'cosy solution' for the increasing societal tensions, as societies attempt to develop new frameworks for government in an increasingly global world.

Changing perspectives on CSR in India

While CSR has been a well-understood notion for many years, perceptions about the basic role of the corporation appear to have been changing in India in recent times. This has traditionally been closely related to family-based businesses or state-owned enter-

prises (SOEs) and has been governed accordingly. Since deregulation and with the pressure to 'corporatise' and 'sell off' many SOEs, the concern for efficiency, effectiveness and profitability has been considerable. In 1999 the largest ever global survey on CSR, the Millennium Poll, indicated that Indians were '3 to 4.5 times more likely than North Americans to believe that a company's role is simply to make profits, pay taxes, provide jobs and obey laws' (MORI 1999). The same poll indicated that 89% of Americans believe the corporation's role is to exceed these expectations.

Subsequent research, discussed below, would suggest that either the Millennium Poll did not reflect the mood in India or that there have been significant shifts in perceptions about CSR since then. The following sections review other surveys conducted in the last five years. They indicate that there seems to be movement in terms of awareness of CSR needs in India, if the MORI poll accurately identified perceptions at the end of the 20th century.

Reasons for changing CSR perceptions

Since 1999 the world has undergone a number of key changes which have directly and indirectly influenced the way corporations are perceived in India. First, the dot.com boom has declined and turn-of-the-millennium software maintenance activities are over. The impact on IT service requirements has caused a re-evaluation of the approach that many of the technology-driven new businesses took in the 1990s. The rapid growth, export-oriented, cost-advantage-focused strategies have been replaced by longer-term, business development initiatives, supported by government, financial markets and MNC (multinational corporation) involvement (Khan and Faisal 2001; Kochikar 2001; Ramaswamy 2002). Social responsibility concerns are very much part of this movement (Sankaran 2003).

This same period has seen major financial collapses (Enron, WorldCom) in the US, and more recently in Europe (Vivendi, Parmalat), emerging from unethical, if not fraudulent activity, as well as the growing divide between the remuneration/financial rewards of senior business executives and the 'rest of the world'. This has led to a number of responses relating to financial transparency and good governance, such as commissioned reports (Birla Report in India, Higgs Report in the UK) and the resultant changing legislation (Sarbanes–Oxley Act in the US, CLERP 9 in Australia). At the same time social movements encouraging investor and community activism have grown (e.g. the Global Reporting Initiative of the UN; Transparency International, a non-governmental organisation [NGO] focused on diminishing corruption). The simultaneous backlash against the 'greed is good' and 'managerialist' era has led to an increasing questioning of the role of business in society, as evidenced by a recently released, award-winning Canadian documentary, *The Corporation*.¹

While this has a different focus in India, given tighter financial markets, a tradition of government influence over business, strong family/community business structures, and a more intense concern for economic development, concerns regarding the role of the corporation have flowed through. It has been reinforced by the political environment and the ever-present social tensions associated with a high population base and the extreme wealth–poverty gap, as evidenced by the debates during, and results of, the 2004 Indian elections. Sen's seminal work on economic development in India identifies similar tensions (Sen 1995).

One can also see that the historic social/cultural base of India encourages a CSR perspective that is different from that of many other countries (Chakraborty 1997; Sundar 2000). A religious tradition encouraging business benevolence, business sup-

1 Refer to website: www.thecorporation.tv for details.

porting nationalism in the first half of the 20th century and a strong affiliation with leaders, both in business and politics, who seek to support society, are features that Sundar identifies in her analysis of the corporate citizenship movement in India. Chakraborty suggests that the strength of Indian traditions and classical literature provides an underlying ethos that reinforces CSR, but also argues that modern business practices are likely to erode this.

Indian Institute of Management, Bangalore (IIMB) survey

In late 2001 a survey was undertaken at the Indian Institute of Management, Bangalore (IIMB). As its results have not been published before, more details are given on this research than the other surveys reviewed in this paper.

This web-based survey ran for approximately two months. It resulted in 778 usable responses. Graduates with majors in science, engineering, accounting and finance disciplines made up 85% of the survey group. Nearly all respondents were tertiary-educated (96%). The majority were male (86%), employed (64%), single (58%) and under 30 years of age (60%). Most had no children (75%), were Hindu (68%) and were employed in the private sector (85%) in industry (60%). They were higher income earners in India, most earning above 100,000 rupees (US\$2,200) per annum (79%). The average income for people working in the 'unorganised sector'² in India, approximately 96% of the workforce, is 20% of this figure (Celestine 2004). A significant group earned more than five times this figure (36%). Most came from Karnataka, Maharashtra, Tamil Nadu, Delhi and West Bengal, indicating they were likely to be graduates from Indian Institutes of Technology or Indian Institutes of Management living and/or working in metropolitan, industry, commerce environments.

The IIMB survey is probably the first CSR opinion survey of the modern, 'technology-competent', primarily male, graduate, employee community: the new 'upper class', urban sector. As such, the survey clearly does not represent the majority of Indian employees or managers.

IIMB Survey findings

Responsibility for social obligations: business or government?

The survey findings indicated that a large number of respondents (70%) believed that social responsibility was not only a government role but also a corporate one. A significantly smaller proportion (17%) agreed with the proposition that social obligations are the responsibility of government, not corporations.

This strong indication for support of CSR was backed up by the belief in integrity systems within corporations. Nearly 80% agreed that codes of conduct are necessary elements to encourage accountability and transparency. Both these responses suggest a significant variation from the Friedmanite view of 'business being in business for business'.

² The 'organised sector' is defined as businesses that are required to be registered in some way, by licensing, etc. According to Celestine, this sector oversees less than 10% of India's workforce. By far the majority, over 90%, work in the 'unorganised sector', in agriculture, mining, manufacturing, trade, construction, etc. Unorganised-sector labour is not registered in any way, that is, contract labour, family business-based, agricultural workers, etc. Most of the new jobs created in the last two decades (over 96%) have been in this sector (Celestine 2004).

Areas of CSR concern and corporate performance

Table 1 notes in priority order the major areas of CSR concern. It also indicates respondents' perceptions about how corporations provide assistance or support in those areas.

<i>Problem issue</i>	<i>% agree that it is a major concern</i>	<i>Extent of corporate assistance or support (%)</i>		
		<i>Large</i>	<i>Small</i>	<i>Total</i>
Pollution	77	13	29	42
Roads	75	11	27	38
Power	60	14	30	44
Health	60	20	38	58
Water	59	11	24	35
Security	54	10	28	38
Education	48	22	44	66
Communication	47	29	31	60

Table 1 CSR ISSUE PRIORITIES

The table indicates that, although CSR is expected, the performance in the most significant areas of concern is the lowest and vice versa. It is not surprising to note that the areas of most concern, pollution and transport (roads), could be identified as key urban problem issues whereas the areas of least concern, education and communication, are likely to be best served in metropolitan regions and are still of prime concern for the majority of the Indian population in villages and small towns. As such, the survey responses correlate with expected patterns, and, one could reflect, respond to the prime needs of the survey respondents, as urban, wealthy employed citizens, rather than the majority of the Indian community, the rural, under-educated poor.

It is perhaps heartening but not entirely unexpected that CSR performance seems highest in health, education and communication, the three areas that are regularly identified as India's most important development concerns.

Changing reasons for social responsiveness by corporations

A significant proportion (46%) agreed that social responsiveness has increased in the last five years. The causes driving this development were 'enlightened professionalism' (60%), improved literacy (49%) and 'social awakening' (42%), whereas government legislation and regulation was not identified as a major driver (25%). However, 55% thought more legislation is needed, while 87% saw 'more self-regulation' as necessary.

Again one can posit that the sample is 'thinking' as one would expect from a group of young, relatively idealistic, professionally trained executives/managers. They see the logic of improved legislation to encourage CSR but prefer self-regulation and see the 'spirit of social consciousness' as individualistically driven. This attitude may also relate to the belief that 'state-driven' regulation, at its zenith during the period from independence to the early 1990s, does not 'work' well in India. Again, given the changing economic climate for this sector, and the well-developed sense of public scepticism about government's capacity to regulate, this response would be as expected.

CSR: discretionary or obligatory?

Surprisingly, a large majority of respondents agreed that CSR expenses should be seen as a 'cost of operations, not as an appropriation of profits' (72%) and that 'corporates must discharge social responsibility obligations' (86%). They preferred that this require-

ment is met as part of 'operational decisions' (86%), or 'by participating in consultative bodies/committees' (83%), rather than financial support (68%), or making available 'free expertise' (63%).

This seems to indicate that this community is sensitive to the need for corporations to be seen as responding to social needs. While this is not surprising in India, given its history and background, it seems to be well in advance of views expressed in other countries, by other segments of the business community. It seems to suggest a different view from those elicited from practising managers in other surveys in India, an issue that will be discussed further below.

Gender and child labour issues

Whether or not gender discrimination in corporates is declining was less clear. While a minority (20%) disagreed with the view that discrimination is declining, and a majority (58%) agreed, a significant minority (22%) were undecided. A significant group (60%) believed regulations could not fully eliminate child labour, but agreed that abolition incentives such as tax penalties (80%), stringent monitoring (81%) or more comprehensive legislation (74%) were appropriate. Such responses again reinforce the view that child labour is perceived to be unacceptable in modern corporate India.

Reaction to MNC behaviour

A large majority of respondents (86%) agreed with the suggestion that MNCs apply better SR standards in their home, as opposed to host, countries. This reflection confirms similar responses in other Indian CSR surveys, a point noted below.

CSR in India: survey responses

Since 2000 five other CSR surveys have been conducted. As their results have been published, brief details only are noted below.

The first was by Tata Energy Research Institute (TERI-Europe), the New Academy of Business and ORG-MARG Research. They sought to determine the: 'perceptions . . . and expectations . . . towards social, economic and environmental responsibilities of companies operating in India' (Kumar *et al.* 2001: 2). They focused on: 'worker health and safety, community relations, environmental sustainability, and accountability to stakeholders' (Kumar *et al.* 2001: 2).

The Centre for Social Marketing (CSM) undertook a survey in early 2001, based on an email survey instrument, sent to a cross-section of Indian industry. It aimed to help answer the questions: 'What does corporate citizenship mean for modern Indian business? How are Indian businesses interpreting the new language? How are they responding and how can they provide leadership?' (Brown 2001: 1).

In 2002 a body representing the NGO sector, IndianNGOs.com, undertook a data- and interview-based survey, visiting 196 corporates and studying 500 international corporates (most of the *Fortune* 500 corporations). The main themes researched related to: 'Awareness and Sensitivity to CSR, Pre-investment Decisions, Investment in CSR, Post Investment and Opportunities and Concerns' (IndianNGOs.com 2002: 1).

An extensive survey was undertaken in 2002 by the United Nations Development Programme, the British Council, the Confederation of Indian Industry and PricewaterhouseCoopers (UNDP 2002). Answers from 102 Indian corporations to 43 questions gave detailed information regarding the 'how and why' of CSR in Indian industry, the barriers to CSR, and apprehensions and expectations for the future.

In early 2003, the National Stock Exchange administered a questionnaire-based survey of the 50 companies in the NSE NIFTY index (NSE/NIFTY 2003). The researchers

gained secondary information and a response to the questionnaire from 30 of these organisations. The survey was aimed at determining how CSR is being considered or is being implemented by these organisations.

Review methodology and findings

The results of each of the surveys noted above were analysed using a technique similar to the 'method of agreement' (Neuman 2005). The findings of each survey were summarised on a spreadsheet and grouped into like comments/results forming the themes discussed below. The regularities were identified through the use of a matrix, noting the themes as a vertical axis and the six surveys as the horizontal. These observed regularities were reviewed and contrasted and various observations were drawn from this analysis.

Perspectives on the understanding and importance of CSR

It seems that recent survey information indicates a growing recognition of the strategic significance of CSR in India. One factor that seems to be well accepted, perhaps more strongly today than before the corporate collapses mentioned above, is the belief that CSR is directly related to ethical conduct, transparency and legal compliance. It is increasingly being identified as being more than profitability—beyond philanthropy and integral to the development of society (Brown 2001; UNDP 2002; Jose *et al.* 2003). Another theme in this arena is a growing recognition that no one model, code or approach is applicable. It is dependent on size, nature of operations, core competence, needs of community and so on. There is a sense that CSR needs strategic planning and should be linked to the core business and related to the core business opportunities (UNDP 2002; NSE/NIFTY 2003).

These themes appear closely linked with the growing strategic issues raised by Matten *et al.* (2003) and the various ways in which CSR is being seen and responded to as outlined in Van Marrewijk's 'interpretations' (2003) and Waddock's 'parallel universes' (2004a) discussed above.

The major areas of CSR concern in India

The surveys emphasise social needs such as health, education, poverty alleviation, social welfare and community development, rural development, as well as employment welfare and labour practices (Brown 2001; IndianNGOs.com 2002; UNDP 2002; NSE/NIFTY 2003). Pollution and water and/or environment were seen as key concerns by nearly all surveys. Consequently one can conclude that there is a strong belief that CSR is an essential element in 'social uplift' and development, something very relevant to India, but less emphasised in US, UK or Western European nations.

The difference between the IIMB survey results noted above and the rest of the surveys is significant. While IIMB survey respondents noted the importance of social and environment issues, they focused on the urban (transport, pollution) rather than traditional rural development needs (health, water, education, poverty alleviation, etc.). This may indicate a potential tension which could emerge if CSR policy development is driven by a 'link-to-business-objectives' focus—employee satisfaction, urban needs, transport and so on—while the more pressing traditional issues as noted above remain 'out in the cold'. One could posit that the result in the last elections confirms that the divide between rural and urban interests in India is now a major issue.

Motivation for CSR

It seems most of the emphasis for CSR, as identified by NGO-oriented surveys, is related to a concern for social improvement, ethics and values, and a need to care for society: the belief in the stewardship philosophy articulated in Gandhian understandings of business–society relationships (Kumar *et al.* 2001; IndianNGOs.com 2002; PIC 2003).

Surveys undertaken by business-related agencies were more focused on ‘pragmatic’ CSR themes: corporate reputation, employee and customer relations, stakeholder impact, responsiveness to local communities, legal compliance, strategic/corporate planning at board level and so on—the business case (UNDP 2002; NSE/NIFTY 2003).

As such, it seems the two main ‘interpretations’ as suggested by Van Marrewijk’s model (2003) evident in India are ‘caring’ and ‘profit-driven’. Alternatively, drawing on Waddock’s 2004a paper, ‘corporate social responsiveness/corporate social rectitude’ and ‘corporate citizenship/corporate reputation’ are strong influences. This review of CSR perceptions in India presents another perspective on the ‘parallel universes’ thesis Waddock proposes.

Responsibility for CSR

The business focus, noted above as a motivating force, was confirmed by the analysis of the preferred management responsibility for CSR. The UNDP and NSE reports indicated that CSR is meaningful when: it comes ‘from the top’, is linked to corporate strategy, and is closely connected to governance, reputation management or risk assessment.

This reinforces the view strongly evidenced in other sources in India (Sundar 2000; Saran 2002), that the CSR-oriented CEO or key corporate figure is ‘highly respected’. The founder of the Tata group, J.R. Tata, and more recently Ratan Tata, have been held up as paragons of business virtue.³ In the last decade, Azim Premji of Wipro and Narayana Murthy of Infosys have been identified as among India’s ‘most admired’ businessmen. In all these cases, an espoused and clearly articulated sense of integrity and community awareness has been a significant element influencing this judgement. The business-oriented surveys indicate that CSR is seen to have significance when initiated by the executive group.

Obstacles and problems facing CSR implementation

Not all the surveys directly addressed this issue. However, competitive business practices, poor ethical decision-making, corruption and mismanaged government practices—lax regulation, confused policies, complicated and excess bureaucracy—were concerns noted (Brown 2001), as were the need to move from an ‘ad hoc approach to strategic intervention’ (NSE/NIFTY 2003), and the lack of executive commitment and unprofessional management (Brown 2001). Also inadequate subsequent evaluation of CSR initiatives was identified as a problem (IndianNGOs.com 2002; NSE/NIFTY 2003).

It seems, in particular from the NSE survey that, while CSR is being seen as a key strategic concern for corporations in India, it has not been extensively integrated into the daily practices of many of the large Indian corporations. While a number of the IT corporations and some major Indian conglomerates have been identified as CSR proponents, implementation processes and practices are still being established in others and little impact analysis or subsequent event evaluation is being undertaken (IndianNGOs.com 2002; NSE/NIFTY 2003). Financial support is seen as the prime CSR orientation, alongside foundation creation, public relations activity and philanthropic work (IndianNGOs.com 2002; NSE/NIFTY 2003). Hence a number of the survey findings and other discussions on CSR suggest further effort is needed to establish the principles of CSR as part of normal strategy development and business operations (NSE/NIFTY 2003; Sankaran 2003).

3 See www.tata.com/o_beyond_business/articles/century_of_trust/20040723_cot_exhibition.htm.

Survey review limitations

These six surveys undertaken in the last four years provide insights into how CSR is currently being perceived in India. However it is necessary to reflect on the nature of the surveys to establish the validity of the findings that can be drawn from them.

First, five of the six are questionnaire- or secondary-information-based. They are primarily perception or opinion surveys. One of the great problems is that the findings do not indicate what organisations are actually doing. More detailed, empirical work, or case study-based research using qualitative techniques, such as interviewing and observation is necessary. It appears this has not been undertaken extensively in India up to this point, or at least it has not been extensively reported. A number of 'good' CSR examples have been reviewed and described, usually those with a long history of CSR activity, such as the Tata Group, or corporations that have recently received awards for CSR. However, as evidenced by the NSE/NIFTY (2003) findings, extensive details of activities carried out are either not available or difficult to ascertain.

Second, the surveys were instigated by a variety of organisations, and were undertaken in different ways, which inevitably influences the groups who responded, the background of the respondents, and the nature of the opinions given. A web-based survey from the Indian Institute of Management generated data from a certain population, which was different from the questions and responses in the NSE or IndianNGOs.com surveys. 'Interpretation' is necessary to develop findings and draw meaning.

Third, the definitions and understandings of what exactly CSR means, could impact on what can be drawn from the survey results. As the conceptualisations of CSR noted above indicate, there is considerable room for differing perspectives. Some surveys seem to focus on themes associated with charity or social development. Others identified a wider understanding. Any conclusions drawn must recognise that the field is relatively new, and that the terminology may not be well understood by survey respondents.

Fourth, the effectiveness of the research methodologies used will influence the validity of the findings. In the NIFTY survey only 19 of the 50 corporations approached directly answered the survey. The IndianNGOs.com survey was undertaken, using 'one on one' meetings with corporates by professional MSWs/MBAs'. What this exactly means, and how these 'one on one' meetings were conducted, is not clear from the research report information available. The CSM survey was based on responses to a ten-question survey instrument but response data was not given.

Consequently, there are risks associated with generalising too strongly or specifically based on a 'meta-analysis' of this data. However, based on the 'interpretivist' approach adopted in this paper, certain themes do emerge, and, when compared with earlier Indian research/analysis of CSR, significant changes are demonstrably taking place. The fact that six surveys on CSR took place in the last five years indicates that it is an increasing concern in India.

IT-based corporations and CSR

In 2001, case-based research was carried out reviewing the actual CSR practices in two rapidly developing and successful IT corporations in Bangalore by IIMB's Centre for Corporate Governance and Citizenship (Balasubramanian *et al.* 2003). It was evident from this work that CSR is being developed as a key strategic initiative by some new businesses in India. These cases found the following factors influenced the way CSR initiatives occurred.

First, some of the founders 'brought it with them'. They believed that their roles, as promoters and developers of a new business, would require them to foster CSR. They

often came from lower-middle-class backgrounds and felt they 'owed something' to the society that had enabled them to succeed. In the rapidly expanding IT industry, they were aware they had received 'windfall gains'. They were interested in 'making their mark in society' in ways other than 'accumulating wealth'. They also believed CSR is inherently part of organisational sustainability, which was their primary concern. CSR was identified as a strategic issue and they agreed it should be part of their business development. Consequently, their initiatives were focused on two themes. Their employees' needs and interests were a significant factor influencing their CSR strategy, and they targeted education and health, complementing their software development interests.

Second, CSR was associated with their employment strategies. As IT companies are heavily reliant on employee skills, capabilities and integrity, good employees are highly sought after. These corporations saw CSR as a distinguishing feature in the employment market. Their founders felt that emphasising material rewards alone would not attract the best type of employee. Consequently, they identified community support and integrity as key aspects in their workplaces. They openly sought people who responded to this orientation. Employees were encouraged to be part of the CSR strategy development. Providing a good workplace meant consciously and openly acknowledging community interests and needs both inside and outside the workplace. Local schools and employees' personal charity interests were supported. CSR was seen as having a morale-boosting effect for employees.

CSR activities focused on employment. Employees with disabilities were employed. Design work for their logo and their building was carried out by artists and designers who came from a spastic society NGO. A crèche at work and transport to and from work were provided for employees. Employees were encouraged to work with some chosen NGOs and were co-sponsored to do so by the corporations. IT support was made available to some village schools. One school was fully sponsored by the organisation.

Third, CSR was identified, in one case in particular, as a marketing advantage. Poverty alleviation and social development are well recognised concerns in India. It was felt that local customers were attracted to corporations that openly acknowledged their CSR involvements. MNC clients were interested in this element of the IT organisation's activities. In one case, they co-contributed to some of the CSR projects of their IT provider. Reputation building for both parties was seen as a valuable aspect of working in India.

It seemed the cases studied complied with the research findings noted above. CSR activities were primarily focused on 'the business case' combined with the 'caring model'. The approaches adopted fitted the 'family-centred' style of management which has been identified as common to India (Sundar 2000). Fitting CSR initiatives to the environment seems to be well understood.

An alternative orientation?

A recently released book by C.K. Prahalad (2004) highlights a view that CSR theory represents a major opportunity for innovative and entrepreneurial businesses. Those who start using CSR to guide their research and development (e.g. social needs driving the development of low-cost products and services) are likely to open up new markets.

This orientation seems likely to have direct applicability in India. Corporations that see CSR in this way could create sectors in the economy which currently are locked out through poverty. Such products and services are likely to be most relevant in communications, health, education and environment management. The 'Simputer', a low-cost Internet reading device, which could provide much needed data in remote

regions that lack communications infrastructure, or an electronic diagnostic device for 'in the field' paramedics, are the sorts of product recently developed in India which respond to Prahalad's logic (Sankaran 2003; Jose *et al.* 2003).

Conclusion

It seems that, while awareness is growing, the lack of more detailed research on actual CSR practice suggests a genuine and deep integration of CSR practices into the mainstream arena is still not significant. It seems that many are following a reactive mode and that the conceptualisation of CSR is still strongly focused on the 'caring' model (Kumar *et al.* 2001; Van Marrewijk 2003). This is to be expected, given India's commercial and cultural heritage. However, it may be that the strength of the business 'interpretation', in particular from the economic development or market opportunity perspective, is likely to be the major future development.

The importance of education is seen from a number of perspectives. The IIMB survey suggests that a more educated, urbanised community may lose connection with some of the major social concerns existing in rural India. On the other hand, there is a well-educated community of CSR supporters in India who recognise that it is an important element in building social capital. A broader and deeper education system, supported by CSR initiatives, is essential if the rural–urban divide is to diminish.

MNCs should be aware of the concern about CSR in India, and be prepared to respond accordingly. Nearly all surveys identify suspicion and apprehension relating to MNCs' potential to 'plunder'. Given India's history, MNC executives who ignore this factor, and the importance of CSR in India, are likely to suffer.

In terms of 'change', one may draw mixed conclusions. First, these surveys seem to confirm that a change from the more traditional, profit-oriented focus as suggested by the Millennium Poll (MORI 1999) has taken place. However the views emerging do not seem to be too far from many of the business–society relationship issues noted by those who have reviewed earlier writings (Chakraborty 1997; Sundar 2000; Kumar *et al.* 2001). Perhaps one can simply say the verdict is open. While change is evident in some ways, some business traditions are also re-emerging and are being reinforced.

Due to the dramatic social development needs, one can envisage India as the base for a new focus for CSR, adding to the proactive, optimistic framing which has been evident in studies in Europe, in particular. It would complement the growing recognition of CSR/CC as an imperative—the clear recognition identified by Matten *et al.* (2003) that there is no choice. It also reinforces one of the missing elements noted by Gladwell (2000) for a 'tipping point' in CSR: the sales factor (Waddock 2004b). When there is a strong sales opportunity, businesses will respond. As one can see from the salaries data noted above, if only 20% of the 'unorganised sector' employment community could move into the 'organised sector' and increase their wages fivefold, because of CSR initiatives, major social change is likely. Perhaps the economic environment and the development imperative in India provide the ingredients for the next major move forward in the CSR/CC story. Thinking about CSR from this perspective may lead to it being recast as an 'emerging opportunity' rather than a 'business add-on'.

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