A Study on Stakeholder Perspective Regarding the CSR Model For Indian Organizations : Some Key Issues

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Abstract

Purpose : There has been an increasing interest in corporate social responsibility (CSR) worldwide. For implementation of CSR in Indian organizations, this study was conducted to ascertain how Indian stakeholders perceive CSR, what they expect from Indian organizations, and which issues should Indian organizations give priority to while undertaking CSR initiatives. The research work also investigates the relationship between personal attributes (gender, marital status, age, and profession) and CSR practices dimensions. The paper analyzes whether there is any significant difference between the demographic variables and the concept of CSR practices in Indian organizations .

Design/Methodology/Approach : The study is exploratory in character and falls under the category of "general review" aimed at gaining familiarity and achieving insights into the phenomena, that is, stakeholders' perspective regarding the corporate social responsibility model in Indian organizations.

Findings: The study found that the Environment dimension emerged as the most important factor which means that a company's products should be eco-friendly and the organization should lay emphasis on reducing pollution and undertaking waste management initiatives. The Economic dimension emerged as the least important factor, which suggests that the organizations should not think that CSR is a costly concept or that CSR policies would have a negative impact on the company's economic performance. Furthermore, the paper concludes with recommendations for organizations to develop and implement CSR programs for the betterment of the society.

Keywords: **community, economic performance, stakeholder, corporate social responsibility, initiatives, demographic variables**
JEL Classification : M1, M14, K32

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The corporate social responsibility (CSR) movement has gathered great momentum over the past number of years (Crawford & Scaletta, 2005), and is now regarded to be at its most prevalent (Williams, 2005). Not only has the issue received academic attention, but has quickly moved up the corporate agenda. In today's era, it is necessary for businesses to take responsibility for their actions and get an approval from their stakeholders. If they fail to meet the stakeholders' demand, that could decrease their reputation and value. Research shows that firms with higher social responsibility will outperform their competitors with less responsibility (Silberhorn & Warren, 2007). Factors such as stakeholders' pressure, value creation, and the company's efforts to obtain reputation have been discussed to be driving the voluntary practices for companies. Transparency and accountability are two dimensions that are crucial for businesses in all their reporting, and these elements have made it harder to escape inspection.

In early 1950s and 60s, the literature was not heavily represented in CSR discourse. However, this decade marked a significant growth in attempts to formalize, or more accurately, state what CSR means (Carroll, 1999). According to Carroll (1999), CSR encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time. The European Commission described CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in

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their interaction with their stakeholders on a voluntary basis. World Business Council for Sustainable Development defined CSR as the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

In short, the definitions of the term CSR may depend on individual perceptions of responsibility/obligation that in turn addresses the broader topic of the role of the organization in society (Crane and Matten, 2004; Deresky, 2000). In brief, the concept of CSR encompasses many dimensions of business activity ranging from the social (e.g. community programmes), to economic (e.g. employment) to the environmental (e.g. waste reduction). Businesses have always been engaged with the community in one manner or the other. This association has been known by various names at various times. All organizations have an impact on society and the environment through their operations, products or services, and through their interactions with key stakeholder groups, including employees, customers/clients, suppliers, investors, and the local community. Hence, it becomes very important to investigate the current scenario and future prospects of CSR in India.

Stakeholder Theories

The stakeholder theory identifies those groups for whom the firm/business should be responsible. Freeman (1984) described a firm as a series of connections of stakeholders that the managers of a firm attempt to manage. Freeman's classic definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives." Therefore, the definition of stakeholders of a business has been expanded to include: shareholders, creditors, employees, customers, suppliers, public interest groups, and governmental bodies (Roberts, 1992). Stakeholders are typically analyzed into primary and secondary stakeholders. Clarkson (1995) defined a primary stakeholder group as one without whose continuing participation the corporation cannot survive as a going concern - with the primary group, including shareholders and investors, employees, customers and suppliers, together with that what is defined as the public stakeholder group: the governments and communities that provide infrastructures and markets, whose laws and regulations must be obeyed, and to whom taxes and obligations may be due. The secondary group is defined as those who influence or are affected by the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival.

Thus, it is very likely that CSR has considerable influence on stakeholders' performance, even though previous research studies have not considered this influence. Hence, the present study examines the perception of stakeholders towards CSR in Indian companies.

The Rationale for Corporate Social Responsibility in India

With increasing and widespread commitment of corporate resources to CSR, attention is now shifting to the strategic formulation, implementation, and measurement of the market returns to CSR initiatives. Still, a concern to companies is whether their focus on “doing good,” will provide positive returns to their CSR actions. This emphasizes the need for better measurement models of CSR that capture and estimate clearly the effects of a company's CSR actions on its stakeholders as well as the nations in which they are operating. According to Moskowitz (1972), CSR has a positive effect on stock prices; corporations with excellent CSR activities are more likely to show better financial performance in terms of their ROE, EPS, profit margin, and net margin, among others. This positive relationship between CSR and financial performance can improve the relationship between the corporation and its investors, and it can also have a direct effect on investors' investment decision. According to Brown and Dacin (1997), corporate capacity and CSR, the two main determinants of corporate relationships, can generate positive attitudes toward the corporation and its products as well as increase purchase intention.

Barone (2000) suggested that customers have a tendency to buy goods made by corporations engaging in CSR activities if they cannot derive any benefit from competitive brands. According to Klein and Dawar (2004), the halo effect resulting from the CSR association can have a positive effect on the evaluation of the corporations and their brands, and CSR activities can limit brand devaluation in a brand crisis. Another effect of CSR can be found in the relationship between corporations and their employees. According to early research, employees are more likely to have confidence in corporations with excellent CSR activities, resulting in higher organizational commitment, job satisfaction, and increased HRM capacity (Maclagan, 2000). Aguilera, Rupp, Williams, and Ganapathi (2007) suggested that employees' job satisfaction, commitment, turnover rate, and job performance can be different depending on what they perceive from actions of their corporation, and they argued that CSR performs an important role by allowing employees to evaluate how their corporation administers justice.

As discussed in the above paragraphs, CSR has a considerable influence on stakeholders in a wide range of ways and has a positive effect on corporate performance. However, few studies have examined the ways in which CSR affects the relationship among B to B parties. However, none of the studies mentioned that with reference to CSR in organizations, which issues should be considered on the basis of priority or which dimension(s) of CSR should be given a priority while choosing an initiative. Thus, this study attempts to identify the perception of stakeholders' with reference to their preferences for CSR issues.

CSR and its Dimensions : A Literature Review

Frederick (1994) said that social responsibility in the final analysis implies a public posture towards society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. Howard Bowen in 1953 argued that since social institutions shaped economic outcomes, it was to be expected that business firms as an economic outcome of societal interests should consider the social impact of business activity. According to Bowen, CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations, which are desirable in terms of the objectives and values of our society. CSR implies some sort of commitment through corporate policies and action. This operational view of CSR is reflected in a firm's social performance, which can be assessed by how a firm manages its societal relationships, its social impact, and the outcomes of its CSR policies and actions.

Social reporting and social audits are examples of how firms can assess their social performance. In 1960s, Keith Davies argued that CSR refers to the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm (Davis, 1973). Frederick (1994) stated that social responsibility means that businessmen should oversee the operation of an economic system that fulfills the expectations of the people. And this means, in turn, that the economy's means of production should be employed in such a way that production and distribution should enhance their total socioeconomic welfare. Thus, the definitions of CSR in the previous decades were an attempt to link society and businesses, defining society in broadest terms. Previous studies also found that demographic factors - such as gender, race, age, level of education, and years of working experience - had some influence on the perception of CSR concepts. According to previous studies, there has been a significant difference of CSR perception and values between male and female respondents (Maignan & Ferrell, 2003). Some previous studies also found that the younger respondents had a more positive perception towards CSR. This study attempts to add value to existing literature by including gender, marital status, age, and profession as one of the important demographic factors.

After careful examination of CSR definitions throughout its history during last few decades, several dimensions of CSR appeared. These dimensions during different decades starting from 1950s are as follows :

- **50s Dimension:** Obligation to the society (Bowen, 1953).
- **60s Dimension:** Relationship between the corporation and the society (McGuire, 1963).
- **70s Dimensions:** Stakeholders involvement, well being of citizens, a philosophy that looks at social interest, help solve neighborhood problems, improve the quality of life, economic responsibility, legal responsibility, ethical responsibility, and discretionary responsibility (Moskowitz, 1972).
- **80s Dimensions:** Voluntariness, economically profitable, law abiding, ethical and socially supportive,

economic, legal, ethical, and voluntary or philanthropic (Freeman, 1984).

- **90s Dimensions:** Stakeholder's involvement, obligation to society, environmental stewardship, people, planet, and profit (Wood, 1991).

- **21st Century Dimensions:** Integration of social and environmental concerns, voluntariness, ethical behavior, economic development, improving the quality of life of the citizens, human rights, labour rights, protection of the environment, fight against corruption, transparency, and accountability (Andriof & Waddock, 2001; Idowu & Towler, 2004).

Objectives of the Study

It is hoped that this study will be helpful in exploring the information and views of different stakeholders about CSR practices in Indian organizations with reference to the CSR dimensions that need to be considered for implementation by organizations. The study also examined whether there is any significant difference between people's perception regarding CSR practices in Indian organizations according to demographic variables. To be more specific, the paper will focus on achieving the objectives by following a proposed set of hypotheses.

Hypotheses of the Study

- **H0 (1) : There is no significant difference between the opinions of male and female respondents regarding CSR practices variables like - economic, social, ethical, philanthropic, employees, consumers, investors, community, and the environment.**

- **H0 (2): There is no significant difference between the opinions of married and unmarried respondents regarding CSR practices variables like - economic, social, ethical, philanthropic, employees, consumers, investors, community, and the environment.**

- **H0 (3): There is no significant difference between the opinions of the respondents of different age groups regarding CSR practices variables like - economic, social, ethical, philanthropic, employees, consumers, investors, community, and the environment.**

- **H0 (4): There is no significant difference between the opinions of respondents belonging to different professions such as service , business class, and unemployed respondents regarding CSR practices variables like - economic, social, ethical, philanthropic, employees, consumers, investors, community, and the environment.**

Research Methodology

- **Questionnaire Design and Data Collection :** For this study, primary data was gathered with the help of a questionnaire and sampling elements comprised of 300 stakeholders, that is, shareholders, customers, company employees, and community or other stakeholders to identify the various initiatives that can be taken up as CSR practices by Indian organizations. The study period was from June 2009 to December 2012.

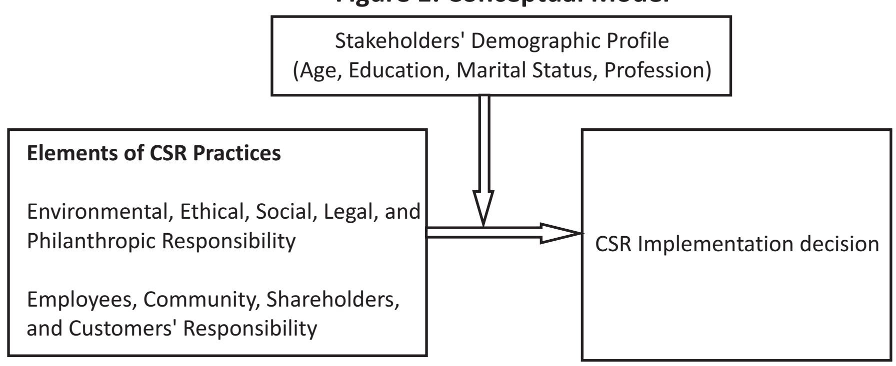
- **Scale of CSR Cognition :** Based on CSR concepts, stakeholder-responsibility matrix constructed by Carroll (1999), and by considering the Indian situation, we designed a scale for CSR, which includes four areas of responsibility, which are expected to be fulfilled by Indian organizations - Economic (F1), Legal, (F2), Ethical (F3), and Philanthropic Responsibilities (F4). Responsibilities towards different stakeholders are towards - Employees (F5), Consumers (F6), Investors (F7), Communities (F8), and the Environment (F9). This section deals with the interpretation of the results of all CSR practices dimensions, their importance and applicability in Indian organizations with respect to demographic variables such as gender, marital status, age, and occupation.

Table 1 : Demographic Profile of the Respondents

Variable	Classification	Frequency	Percentage
Gender	Male	154	51
	Female	146	49
TOTAL	**300**	**100**	
Marital status	Married	155	52
	Unmarried	145	48
TOTAL	**300**	**100**	
Age	Below 30	124	41
(in yrs)	31-40	109	36
	41-50	53	18
	Above 50	14	5
TOTAL	**300**	**100**	
Profession	Company Employee	75	25
	Customer	75	25
	Shareholder	75	25
	Community or other stakeholder	75	25
TOTAL	**300**	**100**	

Source: Field Survey

Figure 1: Conceptual Model



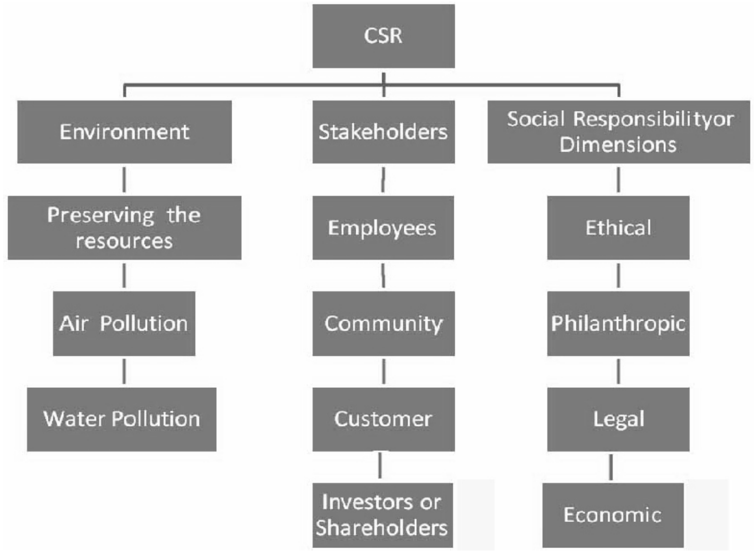
Source: Developed by the Authors

The original CSR cognition scale was made up of seventy six items in total. A 5-point Likert- scale was used, ranging from 1-*strongly disagree* to 5-*strongly agree*.

➫ **Item Selection and Reliability Test :** 29 items were selected to extract 4 factors, which were factors of Economic Responsibility (F1), Legal Responsibility (F2), Ethical Responsibility (F3), and Philanthropic Responsibility (F4). 38 items were selected to extract 6 factors, which were factors of responsibilities towards different stakeholders such as Employees (F5), Consumers (F6), Investors (F7), Communities (F8), and the Environment (F9). Cronbach's alpha coefficients found above .06 indicated good internal consistency. The Table 1 explains the distribution of the sample.

The data gathered was coded into SPSS and then the data from the questionnaire was entered into the database and was analyzed with the help of statistical tools like mean, standard deviation (*SD*), *F*-test, and *t* - test to find out the relationship between demographic variables and CSR practices dimensions.

Figure 2. Perspectives of Stakeholders About the CSR Model



Source: Authors' Research

Results and Discussion

We collected demographic details of the respondents comprising of their gender, marital status, age, and professional status. 51% of the respondents were male and 49% of the respondents were female, and according to marital status, 52% of the respondents were married, and 48% of the respondents were unmarried. According to age, 41% of the respondents belonged to the age group of below 30 years, 36% of the respondents belonged to the age group of 31-40 years, 18% of the respondents belonged to the age group of 41-50 years, and 5% of the respondents belonged to age group of above 50 years. Profession wise, 25% of the respondents were employees , 25% were customers , 25 % were shareholders, and the remaining 25% of the respondents belonged to the community or other stakeholders. These details are provided in the Table 1.

Conceptualization : In conceptualizing the study (Figure 1), we attempted to build a relationship between key variables of CSR practices (Environmental, Ethical, Legal, Social, and Philanthropic) (independent variables) and Stakeholders' perception (dependent variable). These relationships can be varied according to the

Table 2. Gender Wise Analysis of CSR Practices

DIMENSION OF CSR	MALE=155		FEMALE=145		*t* - value	Significant Value
	MEAN	*S.D.*	MEAN	*S.D.*		
Economic (F1)	3.35	.60	3.40	.63	.746	.388=NS
Legal (F2)	3.62	.72	3.77	.65	.052	.820=NS
Ethical (F3)	3.75	.93	3.75	.66	1.769	.185=NS
Philanthropic (F4)	3.70	.85	3.71	.84	.047	.828=NS
Employees (F5)	3.87	.69	3.85	.61	.287	.593=NS
Consumers (F6)	3.70	.73	3.75	.65	1.657	.199=NS
Investors (F7)	3.47	.83	3.54	.71	1.929	.166=NS
Communities (F8)	3.79	.75	3.84	.74	.775	.379=NS
Environment (F9)	3.99	.77	3.98	.68	.625	.430=NS

NS= Not Significant

Source: Field Survey

Table 3. Marital Status -Wise Analysis of CSR Practices

DIMENSION OF CSR	MARRIED=155		Unmarried=145		*t* - value	Significant Value
	MEAN	*S.D.*	MEAN	*S.D.*		
Economic (F1)	3.45	.62	3.29	.60	1.508	.220=NS
Legal (F2)	3.74	.73	3.64	.63	1.252	.264=NS
Ethical (F3)	3.85	.74	3.64	.87	.004	.948=NS
Philanthropic (F4)	3.80	.88	3.61	.80	.165	.685=NS
Employees (F5)	3.93	.69	3.78	.60	.892	.346=NS
Consumers (F6)	3.77	.71	3.67	.67	.049	.825=NS
Investors (F7)	3.57	.82	3.44	.72	2.242	.135=NS
Communities CSR (F8)	3.97	.74	3.65	.71	.013	.910=NS
Environment (F9)	4.07	.73	3.90	.71	.228	.633=NS

NS=Not Significant Source: Field Survey

demographic variables. Therefore, the demographic factors were considered as the intervening variable of the conceptual framework.

➯ **CSR Model for Indian Organizations :** The Figure 2 shows the model that Indian stakeholders wanted the organizations should give priority to . Environmental issues followed by Responsibility towards Stakeholders and Social, Ethical, or Economical Accountability were the most important issues. In the Environmental dimension, the organization should give priority to preserving the natural resources, reducing air pollution and water pollution issues, and so forth. With reference to the Stakeholders, the organization should give priority to Employees followed by the Community, Customers, and Shareholders. According to responsibility or accountability, Indian stakeholders wanted that the organizations should give priority to Ethical issues followed by, Philanthropic, Legal, and Economic issues. Despite increasing economic development, India has always upheld its traditions and respect for customs and social values, and this may have contributed to the differences of CSR dimension ranking.

It seems that Indian stakeholders are more concerned about Environmental issues and majority of the respondents wanted that Indian organizations should take care of Environmental issues, and their products should be eco-friendly and the organizations focus on reducing pollution and directing their efforts towards waste management. The respondents also said that organizations should apply high quality standards for disclosure of environmental reporting. Reducing pollution, waste, and preserving natural resources can lead to a more productive use of resources and can help to produce goods that consumers value.

➯ **Impact of Demographic Features on the CSR Model :** The study investigated whether demographic features such as gender, marital status, age, and profession made a difference in shaping the CSR perception of the respondents.

➯ **Gender :** Initially, in order to find out the perception of male and female respondents regarding the influence of variables - Economic, Social, Ethical, Philanthropic, Employees, Consumers, Investors, Community, and the Environment - on organizations' choice of CSR practices, Anova was used and the results are presented in the Table 2.

From the Table 2, it can be interpreted that the significance level taken for the analysis is .05 level of significance. The mean score of different dimensions of CSR practices in Indian organizations is highest for the Environment (F9) dimension as the mean score of the male respondents is 3.99 and that of the female respondents is 3.98. The lowest mean score was received by the variable -Economic dimension (F1) (with reference to the mean scores of both the male (3.35) and female respondents (3.40) respectively). Thus, it can be said that the male and female respondents thought that the companies should more focus on the Environmental dimension,

Table 4. Age Wise Analysis of CSR Practices

A1= Age σ 30 yrs. A2= Age31-40 A3= Age 41-50 A4= >50

DIMENSION OF CSR	A1=124		A2=109		A3=53		A4=14		*F* - value	Significant Value
	MEAN	*S.D.*	MEAN	*S.D.*	MEAN	*S.D.*	MEAN	*S.D.*		
Economic (F1)	3.32	.63	3.42	.58	3.37	.60	3.47	.76	.613	.607=NS
Legal (F2)	3.66	.75	3.64	.62	3.85	.61	3.80	.88	1.300	.275=NS
Ethical (F3)	3.61	.76	3.82	.93	3.91	.62	3.85	.86	2.238	.084=NS
Philanthropic (F4)	3.63	.84	3.68	.85	3.99	.74	3.48	.97	2.651	.049*
Employees (F5)	3.75	.70	3.95	.64	3.95	.51	3.84	.69	2.229	.085=NS
Consumers (F6)	3.63	.77	3.81	.63	3.79	.64	3.65	.51	1.548	.202=NS
Investors (F7)	3.41	.76	3.51	.81	3.67	.77	3.66	.58	1.661	.175=NS
Communities (F8)	3.70	.79	3.87	.70	3.88	.70	4.08	.68	1.884	.132=NS
Environment (F9)	3.92	.79	3.99	.69	4.12	.67	4.05	.46	.997	.394=NS

*Significant at 0.05 levels, NS=Not Significant Source: Field Survey

Table 5. Profession Wise Analysis of CSR Practices

DIMENSION OF CSR	Company Employee=75		Customer=75		Shareholder=75		Community or other stakeholder=75		*F* - value	Significant Value
	MEAN	*S.D.*	MEAN	*S.D.*	MEAN	*S.D.*	MEAN	*S.D.*		
Economic (F1)	3.34	.62	3.30	.56	3.58	.60	3.28	.65	3.856	.010**
Legal (F2)	3.62	.80	3.66	.56	3.74	.69	3.75	.69	.675	.568=NS
Ethical (F3)	3.69	.81	3.72	.68	3.96	1.01	3.63	.68	2.398S	.068=NS
Philanthropic (F4)	3.64	.87	3.66	.77	3.95	.76	3.58	.92	2.930	.034*
Employees (F5)	3.86	.74	3.85	.54	3.89	.59	3.83	.73	.114	.952=NS
Consumers (F6)	3.67	.76	3.66	.68	3.77	.69	3.80	.64	.747	.525=NS
Investors (F7)	3.50	.77	3.39	.77	3.62	.78	3.51	.78	1.172S	.321=NS
Communities (F8)	3.76	.74	3.75	.74	3.90	.74	3.85	.76	.671	.570=NS
Environment (F9)	3.96	.81	4.00	.70	4.02	.65	3.98	.74	.091	.965=NS

*Significant at 0.05 levels, ** Significant at .01 level NS=Not Significant Source : Field Survey

which implies that an organization's products should be eco-friendly and an organization should lay greater emphasis on reducing pollution and needs to focus its efforts on waste management, and this needs to be done on a priority basis. According to the respondents, the organizations should focus the least on the Economic dimension, which implies that organizations should not think that adopting CSR practices is a cost intensive investment or that the CSR policies would have a negative impact on the company's economic performance as high investment in socially responsible activities results in additional costs to the organization. Furthermore, the *t*-value is not significant at the .05 level of significance. Therefore, the null hypothesis H1 stands accepted and hence, it is concluded that both male and female respondents had more or less the same opinion about CSR practices in Indian organizations.

➯ **Marital Status :** The results from the Table 3 show that the comparison of CSR dimensions between married and unmarried respondents do not differ significantly. The mean value is highest for the Environment dimension (F9) for both married (4.07) and unmarried respondents (3.90) and is the lowest for the Economic dimension (F1) for both married (3.45) and unmarried respondents (3.29). Thus, it can be interpreted from the data that married and unmarried respondents wanted that the companies should focus more on the Environment dimension, and they should concentrate the least on the Economic dimension while undertaking CSR practices.

The significance level for the analysis is taken at the .05 level of significance. Furthermore, the *t*-values are not significant at the 5% level of significance. Therefore, the null hypothesis H2 is accepted, and it can be interpreted that both married and unmarried respondents did not have a different opinion regarding the CSR practices that need to be undertaken by Indian companies.

➯ **Age :** Results from the Table 4 show that the comparison of CSR dimensions between respondents of different age groups differed significantly on one dimension of CSR practices - the Philanthropic dimension as the mean values for the age group categories - less than 30 years, 31- 40 years, 41-50 years, and above 50 years respectively are 3.63, 3.68, 3.99, and 3.48, which shows that there is a significant difference between all the age group categories at the .05 level of significance with respect to the Philanthropic dimension. Therefore, the null hypothesis H3 is rejected .Furthermore, it can be concluded that *F*-values are not significant for Economic (F1) , Legal (F2), Ethical (F3),Company employees (F5), Customer (F6), Investor (F7), Community (F8), and the Environment (F9) dimensions at the .05 level of significance . Thus, H4 is accepted for all dimensions except the Philanthropic dimension (F4).

The mean value is highest in case of the Environment dimension (F9) for three age categories as for age below 30 years, the mean value is 3.92; for the age group category between 31-40 years, the mean value is 3.99; and for the age group category between 41-50 years, the mean value is 4.12. Thus, it can be said that respondents below 50 years of age wanted that the organizations should give priority to the Environment dimension for CSR practices, and the respondents above 50 years of age gave preference to the Communities dimension as its mean score is highest (4.08) in this category. For all the four age group categories, the respondents' mean score is the least for the Economic dimension respectively (3.32, 3.42, 3.37, and 3.47). This means that age wise, all respondents wanted that the organizations should focus the least on the Economic dimension when taking up CSR practices.

➯ **Profession :** The Table 5 shows that the profession wise analysis of CSR dimensions differed significantly at the .05 and .01 level of significance on two dimensions. There is a significant difference between the respondents regarding F1(Economic dimension) and F4 (Philanthropic dimension). The respondents had two different opinions regarding these two dimensions .The other seven dimensions - F2, F3, F5, F6, F7, F8, and F9 - were not significant at the .05 level of significance. It means that on Legal, Ethical, Employees, Consumers, Investors, Communities, and Environment dimension, the respondents had the same opinion.

The profession wise analysis shows that according to the respondents, the companies' core area of focus needs to be the Environment, as its means score is highest for all stakeholder groups (mean values for company Employees, Customers, Shareholders, Community or other Stakeholders are 3.96, 4.00, 4.02, and 3.98). Organizations should least focus on the Economic dimension as its mean score is the lowest for all stakeholder groups, that is, Employees, Customers, Shareholders, Community or other Stakeholders (3.34, 3.30, 3.58, and 3.58 respectively).

Recommendations

The study provides a set of findings relating to CSR initiatives and is a useful source of information about the CSR model. On the basis of the analysis, the following recommendations are made :

➯ Organizations should develop a relationship with all stakeholder groups and satisfy each stakeholder wherever possible. Consumers want to buy products from companies they trust; suppliers want to form business partnerships with companies they can rely on; and employees want to work for companies they respect.

➯ Organizations should integrate social ,ethical, and environmental responsibility into their core organizational strategies.

➯ Environmental issues should be given preference in CSR initiatives of Indian organizations. For example, Indian companies should focus on producing eco-friendly products, adequate emphasis should be placed on reducing pollution and undertaking waste management. In addition, the organizations should apply high quality standards for disclosure of environmental reporting.

↳ Organizations should allocate a percentage of their profits or income for social welfare. Companies should extend their CSR activities in the less privileged States rather than concentrating in resource rich States. Organizations should contribute to the development of the local economy.

Conclusion

The fundamental requirement for future corporations will be to demonstrate how they will build a better world not just for the shareholders, but also for customers, consumers, colleagues, and communities. Corporates have the expertise, strategic thinking, manpower, and money to facilitate extensive social change. Effective partnerships between corporates, NGOs, and the government will place India's social development on a faster track.

Limitations of the Study and Scope for Further Research

The respondents did not represent a pan - India sample. An attempt was made to overcome this limitation by making the focus groups as representative as possible .

Further research can be conducted to explore the causal mechanisms linking CSR to profitability and to determine whether or not these relationships hold consistently over time. CSR practices of Indian firms can be compared with those undertaken by firms in other parts of the world.

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