

them to spread their message, while giving them the means to co-ordinate collective action (i.e., a product boycott)

In additions to social audit, the term – Social Accounting and Audit (SAA) is gaining momentum in India and across the world, is a framework of accountability developed voluntarily by an organisation to define its alignment with its mission and to understand how it has performed about this mission. It is applicable across organisations from charities to social enterprises and can be adapted to audit ‘mission’ compliance of organisation. Both regarding scope and scale it is a flexible and adaptable tool that allows organisations to ‘prove and improve’ performance. We can simply put this as Social Accounting systems that analyse the Social, Economic and Environmental impact of an organisation and report upon it. This report is then presented to and verified by a representative Social Audit Panel, which then certifies the social accounts. This report enables organisations to account for its social performance, report on that performance and draw up an action plan to improve, through which it can understand its impact on the community and be accountable to its key stakeholders.

Check Your Progress 5

- 1) Discuss the importance of Corporate Ethics vis-à-vis Social Audit.

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13.10 LET US SUM UP

The growing significance attached to CSR in this ever changing world cannot be undermined. The CSR activities today have been evolved from charitable activities to integrating the interest of the business by adopting innovative practices. Learned how best practice companies, both globally and in India, within specific industries are leveraging the shared value to achieve large-scale and meaningful social impact through their core business. Highlighted the importance of considering the business case when designing CSR programmes and how to Mobilise India Inc. to take on the shared value agenda.

As business gets more and more competitive – the performance of companies is not only being judged by financials but also how responsive they are to the needs of their stakeholder groups. Consumers form an important group which needs to be satisfied to ensure the long-term survival of the organisation. Consumers have different perceptions about the organisation based on their interaction with the company, adherence to quality standards, sustainability aspect and various other activities being followed by them that make them ‘responsible’ to its stake holders

After the enactment of the Companies Act, 2013, it is estimated that approximately 2,500 companies have come in the ambit of mandated CSR. It is very likely that this legislation will be a game-changer, infusing new investments, strategic efforts, and accountability in the way CSR is being conceived and managed in India. It has opened new opportunities for all stakeholders (including the corporate sector, government, not-for-profit organisations and the community at large which includes Consumers too) to

devise innovative ways to contribute to equitable social and economic development. Currently, CSR in India is headed in a positive direction as there already exists a multitude of enabling organisations and regulatory bodies such as the Department of Public Enterprises (DPE), Ministry of Corporate Affairs (MCA), and Indian Institute of Corporate Affairs (IICA). These institutions have already set the wheels in motion and are playing an important role in making CSR a widespread practice and in ensuring success in reducing inequalities without risking business growth.

India today has a unique opportunity. The nation's phenomenal economic success, combined with the sense of urgency around solving its stark social challenges, mean there are greater assets to put toward developing real solutions. The country can take advantage of lessons learned from other nations, by examining what has and hasn't worked as businesses worldwide have experimented with various forms of responsibility efforts. As a result, Indian companies may soon be global leaders in demonstrating how meaningful value can be created for both their bottom lines and for that of their nation. 2% spending by corporate on CSR activities in the new Companies Bill should be made mandatory to prevent them from escaping the liability by citing one reason or the other.

13.11 KEY WORDS

- Corporate Social Responsibilities (CSR)** : It is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. CSR is a concept with many definitions and practices.
- ISO 26000** : It is the international standard developed to help organizations effectively assess and address those social responsibilities that are relevant and significant to their mission and vision; operations and processes; customers, employees, communities, and other stakeholders; and environmental impact.
- ISO 10000 Suite of Standards** : ISO 10000 Series regards customer satisfaction is compatible with ISO 9001 and supports the objectives of this standard through the effective and efficient application of a process to develop and implement a code of conduct related to customer satisfaction.
- Corporate Ethics** : It is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment.

13.12 SOME USEFUL BOOKS AND REFERENCES

- 1) Arthaud-Day, M.L. "Transnational Corporate Social Responsibility: A Tri-Dimensional Approach to International CSR Research." *Business Ethics Quarterly* 15 (2005): 1–22.
- 2) Carroll, A.B., and A.K. Buchholtz. *Business and Society: Ethics and Stakeholder Management*. 5th ed. Australia: Thomson South-Western, 2003.

References:

- 1) The following bibliography includes references cited in this literature review plus certain other references that were consulted but not cited. In general, these additional references relate to topics that are listed above under 'some useful books'.
- 2) <http://www.gatewayhouse.in/a-brief-history-of-indian-csr/>
- 3) <http://www.referenceforbusiness.com/management/Comp-De/Corporate-Social-Responsibility.html#ixzz4IVJKKPaX>

13.13 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Please refer Sub-section 13.3.1

Check Your Progress 2

- 1) Please refer Sub-section 13.3.4

Check Your Progress 3

- 1) Please refer Section 13.5

Check Your Progress 4

- 1) Please refer Section 13.6

Check Your Progress 5

- 1) Please refer Section 13.9

13.14 TERMINAL QUESTIONS

- 1) Define Corporate Social Responsibility in your own language?
- 2) What are the provisions of Companies Act 2013 about CSR in India?
- 3) What are National Voluntarily Guidelines and name the core principles about NVGs?
- 4) What do you mean by ISO 26000 and explain the clause 6.7 of ISO 26000?
- 5) Briefly, explain the ISO 10000 series of standards about consumer grievance redressal?
- 6) What does corporate social responsibility mean?
- 7) In what ways does achievement of CSR goals and objectives strategically differentiate an organisation?
- 8) What is Corporate Ethics and Corporate Social Audit?