

A STUDY OF CSR PRACTICES OF SELECTED PSUs OF GUJARAT STATE

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Abstract

Corporate Social Responsibility (CSR) has evolved into a crucial aspect of modern business, reflecting a company's ethical obligations towards society. This research paper aims to provide a comprehensive analysis of CSR practices adopted by selected Public Sector Undertakings (PSUs) in Gujarat, focusing on the following objectives: **Understanding the Concept of CSR from Legal and Business Perspectives:** The primary objective of this study is to explore the multifaceted concept of Corporate Social Responsibility (CSR) from both legal and business standpoints. This includes examining the legal frameworks and regulations governing CSR activities in India, as well as understanding the strategic importance of CSR in enhancing corporate reputation, stakeholder engagement, and sustainable business practices. **Assessing the Effectiveness of CSR Practices:** Another key objective is to assess the effectiveness of CSR practices adopted by the selected PSUs in Gujarat. This involves evaluating the alignment of CSR initiatives with the organization's core values and objectives, as well as analyzing the extent to which these initiatives have positively impacted the target beneficiaries and local communities. **Measuring the Impact of CSR Initiatives:** Furthermore, the study aims to measure the tangible and intangible impacts of CSR initiatives undertaken by the PSUs. This includes examining the social, environmental, and economic outcomes of CSR projects, such as improvements in education, healthcare, environmental sustainability, and community development. Through a combination of qualitative and quantitative research methods, including surveys, interviews, and analysis of CSR reports and financial statements, this study seeks to provide valuable insights into the CSR landscape of selected PSUs in Gujarat. By achieving these objectives, the research aims to contribute to the broader understanding of CSR practices, their legal implications, effectiveness, and impact on society and business sustainability. This research attempt holds significance in guiding future CSR strategies, promoting responsible business practices, and fostering sustainable development in the state of Gujarat.

Keywords : Corporate Social Responsibility (CSR), Public Sector Undertakings (PSUs), Gujarat, legal framework, business strategy, stakeholder engagement, sustainable business practices, effectiveness assessment, impact measurement, social outcomes, environmental sustainability, community development, qualitative research, quantitative research, surveys, interviews, CSR reports, financial statements, responsible business practices, sustainable development.

INTRODUCTION

1.1 **Corporate Social Responsibility (CSR)** is a concept that has garnered increasing attention and significance in the modern business landscape. It involves the voluntary integration of social and environmental concerns into a company's operations and interactions with stakeholders. Beyond the traditional focus on profitability, CSR emphasizes the role of businesses in contributing to the well-being of society and the planet. This chapter provides an in-depth exploration of the origin, meaning, scope, background, and recent trends of CSR.

1.2 Origin and Evolution of CSR

The origins of CSR can be traced back to the early 20th century, where the idea of businesses having responsibilities beyond pure profit-making began to emerge. However, it wasn't until the publication of Howard Bowen's seminal work, "Social Responsibilities of the Businessman" in 1953, that CSR gained academic and public attention. Bowen argued that businesses have an obligation to consider the social implications of their activities, laying the foundation for the modern CSR movement.

Since then, CSR has evolved in response to changing societal values, environmental concerns, and legal frameworks. In the 1960s and 1970s, the focus shifted towards corporate accountability, spurred by issues such as environmental pollution and unethical labor practices. The 1980s and 1990s saw an increasing emphasis on stakeholder engagement, recognizing that businesses impact a wide range of groups beyond just shareholders. Today, CSR has become a strategic imperative for organizations, reflecting a broader understanding of corporate citizenship.

1.3 Meaning and Definition

CSR encompasses a wide range of initiatives aimed at achieving a balance between economic, social, and

environmental objectives. It goes beyond mere compliance with laws and regulations, emphasizing proactive measures to create positive impacts. At its core, CSR involves:

Ethical Conduct: Upholding principles of fairness, transparency, and integrity in business dealings.

Responsible Business Practices: Ensuring sustainable operations that minimize negative environmental and social impacts.

Community Engagement: Investing in communities through philanthropic activities, social programs, and infrastructure development.

Environmental Stewardship: Promoting conservation efforts, resource efficiency, and renewable energy adoption.

Various definitions of CSR exist, reflecting its multifaceted nature. The World Business Council for Sustainable Development defines CSR as "the continuing commitment by business 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."

1.4 Scope of CSR Activities

The scope of CSR activities is broad and diverse, often tailored to the industry, size, and geographical location of the company. Some common areas of CSR focus include:

1.Environmental Sustainability: Companies engage in initiatives to reduce their carbon footprint, conserve natural resources, and promote biodiversity. This may include adopting renewable energy sources, implementing waste reduction programs, and investing in sustainable supply chains.

2.Social Welfare Programs: CSR initiatives often target social issues such as education, healthcare, poverty alleviation, and skill development. Companies may fund schools, hospitals, vocational training centers, and initiatives that empower marginalized communities.

3.Ethical Labor Practices: Ensuring fair wages, safe working conditions, and equal opportunities for employees are essential aspects of CSR. Companies also strive to eradicate child labor, forced labor, and discrimination from their operations and supply chains.

4.Community Development: Engaging with local communities through infrastructure projects, sanitation facilities, clean water initiatives, and cultural exchanges strengthens the social fabric and fosters mutual trust and collaboration.

1.5 Background of CSR in India

In India, the concept of CSR has a rich history intertwined with the country's social and economic development. The formal recognition of CSR came with the enactment of the Companies Act, 2013, which made it mandatory for certain companies to allocate a portion of their profits towards CSR activities. This legal framework marked a significant shift, compelling businesses to go beyond profit-making and contribute positively to society.

India's CSR landscape is diverse, with companies implementing a wide array of initiatives based on local needs and global best practices. The focus areas often include education, healthcare, sanitation, women's empowerment, rural development, and environmental conservation. Notable CSR projects in India have led to tangible impacts, such as improved literacy rates, healthcare access, and sustainable livelihoods for marginalized communities.

1.6 Recent Trends in CSR

In recent years, the field of CSR has witnessed several notable trends that reflect the evolving priorities of businesses and society:

Strategic Alignment: Companies are increasingly aligning their CSR initiatives with their core business strategies. This alignment ensures that CSR activities not only benefit society but also create long-term value for the company, fostering sustainability and competitiveness.

Technology Integration: The adoption of technology has revolutionized CSR implementation. Digital platforms are used for tracking and reporting CSR activities, engaging employees and stakeholders, and measuring social impact. Technologies such as blockchain are also being explored for enhancing transparency in supply chains and donations.

Focus on Sustainability: The urgency of environmental challenges has prompted companies to prioritize sustainability in their CSR agendas. This includes commitments to achieve carbon neutrality, reduce waste generation, and invest in renewable energy solutions.

Stakeholder Collaboration: Recognizing the complexity of social issues, companies are partnering with governments, NGOs, academic institutions, and other businesses to amplify the impact of CSR initiatives. Collaborative projects often lead to innovative solutions and greater scalability.

2. REVIEW OF LITERATURE

Literature review on understanding the concept of csr through various studies with different approaches:

1. "Business Strategies and Gender Inclusion for CSR Growth" by Wang et al. (2021):

Examines how business strategies, particularly investments and globalization, contribute to the rapid growth of Corporate Social Responsibility (CSR).

Highlights the increased inclusion of women in leadership roles to enhance social reporting.

Focuses on the Chinese corporate sector and its direct link with public interest, improving CSR awareness from 2009 to 2019.

Emphasizes the role and responsibilities of the board of directors in optimizing resource utilization and creating value.

Proposes various hypotheses to enhance the viability of CSR activities.

Sample study includes non-financial companies due to specific requirements for financial institutions.

Utilizes regression models to test hypotheses and establish relationships between variables.

Indicates the significance of women leaders in top-level positions to enhance CSR-related disclosures.

Suggests that developing economies, such as China, can benefit from exploring CSR reporting through board of directors' involvement.

2. "Influencers of Media Attention on Corporate Social Responsibility" by Feng and Li (2021):

Focuses on the theoretical foundations of Corporate Social Responsibility (CSR) and its influence on media attention.

Utilizes panel data from Chinese listed companies (2013-2017) to explore the positive information disclosure mechanisms.

Highlights the current weak awareness of CSR practices among Chinese enterprises, leading to poor CSR performance and low-quality disclosure reports.

Provides recommendations to enhance CSR practices, including evaluating executive competencies, organizational cultural structures, and development strategies.

Emphasizes the need to improve the media industry's role in promoting CSR awareness and encouraging companies to undertake social responsibility.

Aims to mitigate unfair competition and financing barriers caused by financial factors, advocating for a healthier CSR information disclosure landscape.

3. The enormous sustainability task is to keep employees and the environment happy in the organization. The study concerns Pakistan's banking sector representing the two cities, Lahore and Karachi. The purpose of the study is to estimate the connection of better results with the sound working mind of the employees. Significantly, it contributes to the responsibility of companies for the organization environment integrates sustainability and is key to the organization's success (Kong, L. et al., 2021).

4. Ududji, I, J., et al. (2020) focuses on gender equality and inequality concerns in Nigeria's rural Niger Delta region. The main objective is to assess the impacts of MNCs (Multinational companies) intervention in female education programs in the Nigeria region. The study collects a sample of 800 rural women. The analysis is based upon the demographic variables bringing out the difference in socioeconomic status. Also, the study adds all the literature review from the gender parity view indulging CSR for creating opportunities for women in education. The qualitative methodology describes the CSR model to tackle the challenges for the scholarship and education programs in the Delta region of Nigeria. By reducing poverty and attaining the sustainable development goals (SDGs) in the area.

5. Feng, K., Li, X., (2021), the research is based upon theoretical knowledge of Corporate social responsibility of the influencers of media attention. The basis upon the panel data of Chinese listed companies from 2013 to 2017 to find out the positive disclosure of the information mechanism. The study focuses on the current practices of Chinese enterprise awareness of Corporate social responsibility is relatively weak, the poor performance of CSR, low quality, disclosure of reports. The study provides suggestions for evaluating aspects of executive competencies, organization cultural structure, formulation, and implementation of enterprise development to solve this problem. There is a need to promote the healthy development of the media industry, and enterprises should be encouraged to undertake social responsibility to improve the information disclosure of CSR. Unfair competition financing barriers will be avoided caused by financial factors.

3. RESEARCH METHODOLOGY

Research Methodology:

Outlines data collection (e.g., surveys, interviews), analysis techniques, and theoretical frameworks.

Data source

The research on Corporate Social Responsibility (CSR) in Gujarat adopted a meticulous data collection strategy

to address varied challenges. Qualitative data, crucial for its depth, required extensive interactions with individuals to gather both verbal and non-verbal insights. This unstructured approach demanded skilled investigators to navigate through the nuances effectively. Primary data sources, including questionnaires, observations, and personal interviews, offered firsthand insights into CSR practices. Secondary data, gleaned from authentic sources and annual reports, provided essential background information and served as benchmarks for analysis. The study meticulously documented CSR budget allocations, activities, and strategies obtained from company documents and official websites. This rigorous methodology aimed to provide a comprehensive understanding of CSR implementation, considering both primary stakeholders' perspectives and industry-wide practices, ensuring a nuanced and insightful analysis of CSR practices in Gujarat.

Data tools and techniques

1. Descriptive Statistics: Use measures such as mean, median, standard deviation, and percentiles to summarize and describe key CSR metrics (e.g., CSR expenditure, community engagement) for the selected PSUs.
2. Comparative Analysis: Conduct comparative analysis to compare CSR practices across different PSUs or over different time periods. Tools and tests within this category include:
 - ANOVA (Analysis of Variance): Assess variations in CSR practices among multiple PSUs or groups.

Limitations:

1. Sample Size:
 - Small Sample Size: If your sample size is too small, it may not be representative of the entire population of PSUs in Gujarat. This can limit the generalizability of your findings. Ensure that your sample size is adequate for drawing meaningful conclusions.
2. Data Quality: Data Reliability: CSR data reported by PSUs may vary in terms of accuracy and reliability. Ensure that you critically assess the quality of the data you use, and acknowledge any potential discrepancies or errors.
3. Selection Bias: Sample Selection Bias: If the selection of PSUs is not random or representative, it can introduce bias into your results. Be transparent about how you selected your sample and acknowledge any potential bias.
4. Generalizability: Limited Generalizability: Findings from your research may be specific to the selected PSUs in Gujarat and may not be applicable to PSUs in other regions or private sector companies. Clearly define the scope and boundaries of your study.
5. Cross-Sectional Nature: Lack of Temporal Perspective: A cross-sectional study may provide a snapshot of CSR practices at a specific point in time. Longitudinal data can provide insights into trends and changes over time, which may be missing in a cross-sectional analysis.

4. SIGNIFICANCE OF THE STUDY

Since its inception, Corporate Social Responsibility (CSR) has been a focal point for various stakeholders, including intellectuals, industrialists, activists, and academicians. In India, values of ethics and cultural preservation are instilled early in children. Indian industries have historically engaged in CSR, even predating legal mandates. Today, CSR remains a subject of debate and ambiguity among business stakeholders. It emphasizes the unique focus on social responsibility, recognizing the mutual relationship between businesses and society. Industries, while vital for goods and services, also impact the environment. Environmental concerns like pollution highlight the need for industry responsibility. CSR serves as a means for businesses to give back to society and uphold moral obligations, balancing profit with societal well-being.

5. SCOPE OF THE STUDY

A study on Corporate Social Responsibility (CSR) practices can encompass various dimensions based on research objectives:

- Industry or Sector Focus: explore into specific sectors like manufacturing, finance, healthcare, or technology, each with distinct CSR practices.
- Geographical Focus: Analyze CSR across regions, countries, or cities, considering cultural and legal variations.
- Company Size: Study CSR in multinational corporations, SMEs, or startups, highlighting differences in scope and resources.
- Types of CSR Initiatives: Explore environmental sustainability, community development, ethical practices, and employee welfare initiatives.
- Comparative Analysis: Compare CSR across companies or industries to identify trends and best practices.
- Legislation Impact: Assess how local and international laws influence CSR practices and compliance levels.
- Stakeholder Engagement: Examine interactions with employees, customers, NGOs, and government bodies in CSR strategy formulation.
- CSR Reporting: Analyze transparency in reporting using sustainability reports and GRI standards.

Impact Assessment: Evaluate CSR's real-world impacts on society, environment, and company performance.
Challenges Analysis: Investigate barriers like resource constraints, public perception, and internal resistance to CSR implementation.

6. RESEARCH GAP/STATEMENT OF PROBLEM

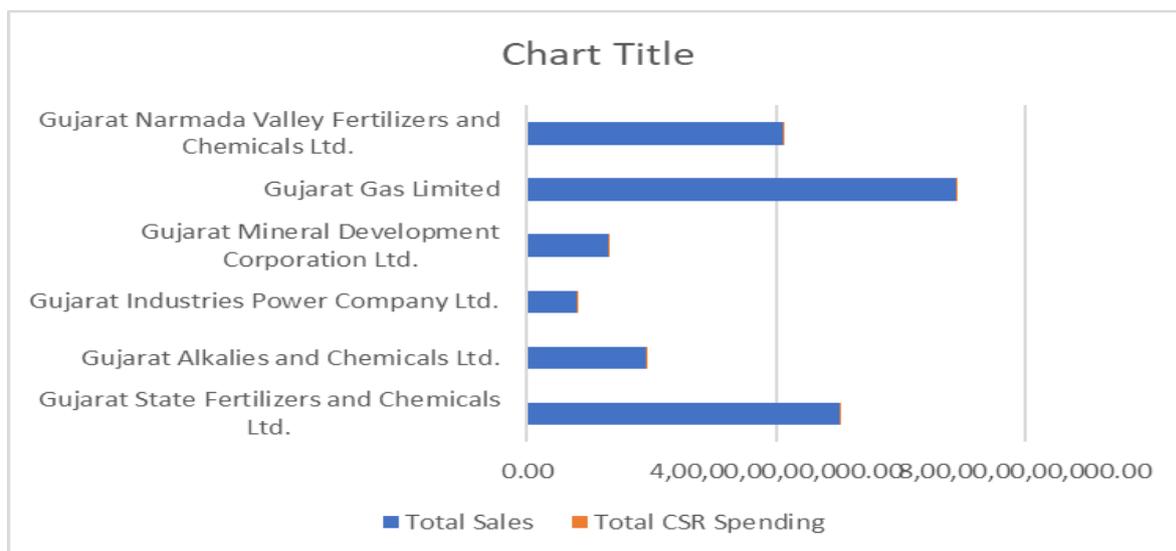
Stakeholder Awareness: Many in Gujarat lack understanding of CSR, viewing it as a burden rather than a social responsibility, including employees and industry stakeholders.
Myths vs. Reality: Common misconceptions persist, such as CSR being mere record-keeping or solely PR tasks, hindering effective implementation.
Organizational Approaches: Differences exist between government and private sectors, with government industries aligning CSR with policies, while private firms have more autonomy.
Strategic CSR & Legislation: The Companies Act 2013 mandates CSR for some firms, leading to challenges in fund allocation and compliance, necessitating strategic planning.
Beneficiary Awareness: Beneficiaries may not fully understand CSR project purposes, aware of benefits but unclear on project specifics.
Government Perspective: Examining Gujarat's CSR Authority (GCSRA) offers insights into the state's CSR strategy, objectives, and implementation.
Stakeholder Engagement: Assessing participation levels of employees, communities, and relevant parties in CSR projects helps gauge effectiveness and inclusivity.

7. RESEARCH OBJECTIVES

1. To understand the concept of Corporate Social Responsibility (CSR) from legal and business point of view
2. Assessing the effectiveness of CSR Practices
3. Measuring CSR impact

8. DATA ANALYSIS AND INTERPRETATION

Company Name	Total Sales	Total CSR Spending
Gujarat State Fertilizers and Chemicals Ltd.	502,979,000,000.00	645,636,373.00
Gujarat Alkalies and Chemicals Ltd.	191,045,800,000.00	1,458,671,000.00
Gujarat Industries Power Company Ltd.	80,134,531,000.00	386,220,000.00
Gujarat Mineral Development Corporation Ltd.	130,433,588,000.00	555,939,000.00
Gujarat Gas Limited	689,641,100,000.00	899,113,954.00
Gujarat Narmada Valley Fertilizers and Chemicals Ltd.	409,732,900,000.00	708,674,000.00



9. DATA INTERPRETATION

Total Sales Analysis: The company with the highest total sales is "Gujarat Gas Limited" with 689,641,100,000.00 units.

The company with the lowest total sales is "Gujarat Industries Power Company Ltd." with 80,134,531,000.00 units.

The total sales range from 80,134,531,000.00 to 689,641,100,000.00 units, indicating significant differences in the scale of operations among these companies.

CSR Spending Analysis:

The company with the highest CSR spending is "Gujarat Alkalies and Chemicals Ltd." with 1,458,671,000.00 units. The company with the lowest CSR spending is "Gujarat Industries Power Company Ltd." with 386,220,000.00 units.

The CSR spending ranges from 386,220,000.00 to 1,458,671,000.00 units, indicating varying degrees of commitment to social responsibility among these companies.

10. FINDINGS

Relationship between Total Sales and CSR Spending:

Gujarat Gas Limited: Despite having the highest total sales, its CSR spending is 899,113,954.00 units, which is relatively lower compared to some other companies.

Gujarat Alkalies and Chemicals Ltd.: This company has the second-highest total sales and also the highest CSR spending, indicating a strong commitment to social responsibility.

Gujarat State Fertilizers and Chemicals Ltd.: While ranking third in total sales, its CSR spending is relatively lower compared to some other companies.

Gujarat Industries Power Company Ltd.: With the lowest total sales, this company also has the lowest CSR spending, suggesting a potential area for improvement in their social responsibility initiatives.

Gujarat Mineral Development Corporation Ltd. and Gujarat Narmada Valley Fertilizers and Chemicals Ltd.: These companies fall in the mid-range for both total sales and CSR spending.

11. CONCLUSION

In conclusion, this research paper explores the realm of Corporate Social Responsibility (CSR) practices within selected Public Sector Undertakings (PSUs) in Gujarat. Through a meticulous analysis of Total Sales and CSR Spending data, the study has offered valuable insights into the business-social responsibility dynamics of these companies.

The findings reveal a spectrum of CSR commitments among the selected PSUs, showcasing both leading examples of robust social initiatives and areas where improvements can be made. Companies such as Gujarat Alkalies and Chemicals Ltd. stand out for their strong dedication to social causes, while others, like Gujarat Industries Power Company Ltd., present opportunities for enhancement in their CSR strategies.

This research not only contributes empirically by providing quantitative data but also adds to the academic understanding of CSR practices in the public sector. It lays a foundation for further exploration, inviting future studies to investigate the factors influencing CSR decisions and their long-term impacts.

Moreover, the practical recommendations offered in this paper serve as a guide for PSUs, policymakers, and industry professionals. By aligning business objectives with social responsibility goals, these organizations can create a positive impact on society, the environment, and their stakeholders.

As Gujarat's PSUs navigate the intricate balance between profitability and societal welfare, this research paper stands as a beacon of knowledge, offering a roadmap towards sustainable and socially responsible business practices. It is our hope that the insights presented here will catalyze meaningful actions, drive policy changes, and foster a culture of responsible corporate citizenship in the public sector of Gujarat.

In essence, this study underscores the crucial role of PSUs in shaping a brighter, more inclusive future for the communities they serve. As we move forward, let us continue to strive for a harmonious integration of business success and social good, ensuring a prosperous tomorrow for generations to come.

12. CONTRIBUTION OF THE RESEARCH PAPER

Contextual Understanding of CSR in PSUs: The research paper provides a comprehensive understanding of

Corporate Social Responsibility (CSR) practices specifically within Public Sector Undertakings (PSUs) in Gujarat. It establishes the context by highlighting the significance of CSR in the public sector, considering the socio-economic dynamics of Gujarat.

Focused Examination of Selected PSUs: By selecting specific PSUs for analysis, the research paper offers a focused examination of CSR initiatives. It provides in-depth insights into the CSR strategies, activities, and spending patterns of these selected companies.

Empirical Data and Analysis: The paper contributes empirical data on Total Sales and CSR Spending, providing a quantitative basis for analysis. Through statistical methods and data visualization, it offers a clear and structured comparison of CSR practices among the chosen PSUs.

Insights into Business-Social Responsibility Balance: The research highlights the balance between business operations (Total Sales) and social responsibility (CSR Spending) among PSUs. It explores how companies manage their financial resources while also allocating funds for social and environmental initiatives.

Identification of Leading and Lagging Practices: By comparing the CSR performance of different PSUs, the paper identifies leading companies with strong CSR commitments. It also points out areas where companies can improve, offering suggestions for enhancing their social responsibility initiatives.

Policy Recommendations and Strategic Guidance:

The research paper provides practical recommendations for PSUs, policymakers, and industry professionals. It offers strategic guidance on developing effective CSR strategies, improving transparency, and aligning CSR goals with business objectives.

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