

A STUDY ON COMMUNICATION OF CSR BY INDIAN COMPANIES THROUGH THEIR VALUE STATEMENTS

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Abstract

Corporate social responsibility (CSR) has become an integral part of business firms and is considered as one of the important components of strategic planning for sustainable development. As per the companies Act 2013, it is mandatory that organizations who are involved in making economic profit should spend a minimum 2% of earnings toward CSR initiatives. CSR initiatives are implemented by the firms with the objective of complying with legal obligations and to sustain the business. Also, it is important for the firms to report CSR orientation to stakeholders. This paper aims at analysing how firms communicate their CSR orientation to the stakeholders and to outside world. This helps the firms in the planning process and to formulate short and long term goals. A cross-sectional study is carried out by analysing the value statements like vision, mission and core value statements of 10 Indian multinational companies. The study aims to find out whether the firms focus on all aspects of CSR or certain portions of the CSR framework.

Key words: Corporate Social Responsibility, stakeholder communication, value statements

Introduction

All business organizations are expected to behave responsibly in any economy. In a country like India with the level of economic and social diversity these expectations are even more pronounced and is being insisted upon by various governance bodies. Ecological concerns also are being vocalized on an increasing scale nowadays. The government of India has made the corporate commitment to CSR by the Companies Act revision in 2013 to mandate CSR for the listed companies with significant turnover (Indian Rs. 1000 Crore) or Profit (Indian Rs.5 Crore).

The Corporate Social Responsibility (CSR) is hinged on the organizations formulate their CSR policy, plans and communicate them as well as the resultant actions and results to all

stakeholders in a clear and complete fashion. In a world filled with multiple types of communication volume and variety, the effort to make the communication even more clear and well directed becomes even more important and urgent.

Objective

This study is to evaluate the effectiveness of communication of CSR through the corporate value statements in India. A comparative analysis of the corporate value statement aims to bring out the targeted effort to address the different stakeholders of the corporations to inform about their CSR orientation.

Review of Literature

The concept of CSR can be defined as society's demand from businesses to exercise their responsibility on the consequent impact on the ecological and social environment of the business and stakeholders (Durmaz *et al.*, 2011:1420; Hartmann, 2011:232). CSR is also used to create a good reputation of the company among the corporate's stakeholders (Hartmann, 2011:233).

Communicating CSR is a complex task. Since the corporate stakeholders are many and are varied, the expectations from corporates also are of many types. Further communication strategies need to make sure that all different stakeholders are involved and reached for a business (Morsing & Schultz, 2006:109). These stakeholders are identified by the recent models on CSR, namely Triple Bottom Line and Stakeholder Theory of CSR.

The studies on Triple Bottom Line (TBL) emphasize the need to evaluate a companies' performance not just by their financial performance, but also the actions affecting the ethical/social and environmental (Norman & MacDonald, 2004:252). Given such a broad responsibility, there are diverse range of stakeholders. These stakeholders have to be communicated through CSR activities as well as suitable communication, so as to generate a favourable attitude of stakeholders and enable support of them (Du *et al.*, 2010:12). TBL identifies Customers, Suppliers, Employees, Community and Investors (Henriques & Richardson, 2013:140).

Stakeholder Theory is the key theory that enables identification of business and the affected societal stakeholders in CSR context. This approach also helps these stakeholders to formulate and execute the policies and activity plans to accomplish the goals. The theory classifies the stakeholders in four groups namely, Authorisers, Business Partners, Customer

Groups and External Influencers (Russo & Perrini, 2010:218). This classification is useful in identifying the needs and perceived impact of CSR activities of businesses on its environment as identified by TBL.

These frameworks give us an understanding of the stakeholders so as to help us analyse the corporate value statements in terms of the intended audience among them.

Methodology

Consequent to the recent changes in the Companies Law to enforce corporations in India to spend on CSR, all the major businesses have started efforts towards CSR. Hence this study has taken the Indian corporations as the candidates of study. Since the value statements of these companies embody the corporate intent for communication to the whole world, study takes the value statements of the business corporations for analysis. The value statements include the Mission and Vision as well as core value statements available from companies' recently published documents including the sustainability reports where ever available.

Data collected is of cross sectional nature, where 10 major companies' value statements were collected and the analysis of the statements involved scan of the statement to identify the intent as well as the intended target group among the stakeholders of the corporation. The companies were chosen from traditional manufacturing as well as modern technology business companies to get a broad representation of corporate.

Analysis

The targeted stakeholders were identified from the key literature on CSR and the value statements were analysed from those perspectives. Further the corporate value statements were analysed with reference to the stakeholders so identified as seen in the annexure 1 table.

Table 1. Intended Stakeholders of the Corporate Value Statements across Companies

S.No.	Stakeholder Group*	Stakeholder Type+	Companies Statements aiming at these Stakeholders
1	Authorizers	Government/ Regulators Share holders /Board of Directors	ITC, TVS Motors, Tata Steel, Sun Pharma, Jindal Steel, Biocon, Reliance Industries
2	Business Partners	Employees, Trade Unions Suppliers, Distributors	TVS Motors, Tata Steel, Biocon, Baja, Reliance Industries

3	Customer Groups	Customers Consumer Activists/Groups	Wipro, TVS Motors, Tata Steel, Infosys, Biocon, Bajaj, Reliance Industries
4	External Influencers	Community members Journalists, Special interest Groups	ITC, TVS Motors, Tata Steel, Jindal Steel, Biocon, Bajaj

*Identified from Stakeholder Theory

+ Identified from TBL

Source: Based on Data Analysis

As the above table summarizes, surprisingly only a few companies are addressing the entire gamut of stakeholders in their corporate value statements namely TVS Motors and Biocon.

Discussion of Findings

The corporate value statements provide a very important platform for the organizations to express their long term commitments towards different goals of the organization which are again directed towards the multiple stakeholders. It is essential that these statements are clear and explicit so as to convey the intended meaning and direction to the intended stakeholders. Hence it is also necessary that the communication also identifies the stakeholder group which it is intended for more clearly.

From this perspective we find that the communication of value statements of many top corporate need to be even more clear and identify to whom it is intended for. As we find here, Tata Steel has been contributing to many CSR activities directed towards a variety of stakeholders even before the amendment to the Companies Act in India. However as we see here the communication can be more explicit to all stakeholders about their intent and actions.

Conclusion

The essence of any communication is the understanding of its intent to the audience it is directed for. Being a most important core communication of any corporation, the value statements of companies need to be thus lucid and make sense to the intended stakeholder for its effectiveness. The companies whose value statements found to be wanting in this perspective can work on bettering their value statements in this respect.

Reference

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Annexure

Table 2.: Value statements-CSR inference

S. N O	Name of the company	Value statements		Inference /CSR focus
1	ITC	Vision	Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders	1.Value creation to economy-country focus 2.stakeholder focus
		Missio n	To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value	1.Economy focus 2.stakeholder focus
2	Wipro	Vision	Contribute for global e-society, where a wide range of information is being exchanged beyond time and space over global networks, which breaks down the boundaries among countries, regions and cultures, allowing individuals to take part in various social activities in an impartial, secure way. Continuous effort to enhance people's lifestyle and quality by means of developing new technology in wireless communication.	Customer focus-to enhance people's lifestyle & quality by developing new technology. Allowing individuals to take part in various social activities in an impartial secure way.
		Missio n	The Spirit of Wipro is the core of Wipro. These are our Values. It is about who we are. It is our character. It is reflected consistently in all our behaviour. The Spirit is deeply rooted in the unchanging essence of Wipro. But it also embraces what we must aspire to be. It is the indivisible synthesis of the four values. The Spirit is a beacon. It is what gives us direction and a clear sense of purpose. It energizes us and is the touchstone for all that we do.	Company focus. Embedded corporate cultural behaviour by means of indivisible synthesis of core values.
3	TVS motors	Vision	Driven by the customer TVS Motor will be responsive to customer requirements consonant with its core competence and profitability.	1.customer focus-customer satisfaction (right product, right price ,right time) Adopting to cutting edge

		<p>TVS Motor will provide total customer satisfaction by giving the customer the right product, at the right price, at the right time.</p> <p>The Industry Leader</p> <p>TVS Motor will be one among the top two two-wheeler manufacturers in India and one among the top five two-wheeler manufacturers in Asia.</p> <p>At the cutting edge</p> <p>TVS Motor will hone and sustain its cutting edge of technology by constant benchmarking against international leaders.</p> <p>Global overview</p> <p>TVS Motor will have profitable operations overseas especially in Asian markets, capitalizing on the expertise developed in the areas of manufacturing, technology and marketing. The thrust will be to achieve a significant share for international business in the total turnover.</p> <p>Committed to Total Quality</p> <p>TVS Motor is committed to achieving a self-reviewing organization in perpetuity by adopting TQM as a way of life. TVS Motor believes in the importance of the process. People and projects will be evaluated both by their end results and the process adopted.</p> <p>The Human Factor</p> <p>TVS Motor believes that people make an organization and that its well-being is dependent on the commitment and growth of its people. There will be a sustained effort through systematic training and planning career growth to develop employees' talents and enhance job satisfaction. TVS Motor will create an enabling ambience where the maximum self-actualisation of every employee is achieved. TVS Motor will support and encourage the process of self-renewal in all its employees and nurture their sense of self-worth.</p> <p>Responsible Corporate Citizen</p>	<p>technologies, TQM</p> <p>2. economic focus-core competence & profitability,</p> <p>3. employee focus: systematic training and planning the growth of employees to achieve self actualisation. Encourages self-renewal process and thus nurture their sense of self worth.</p> <p>4. environmental focus Being a responsible citizen -protection of employees and environment</p>
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			TVS Motor firmly believes in the integration of Safety, Health and Environmental aspects with all business activities and ensures the protection of employees and environment including development of surrounding communities. TVS Motor strives for long-term relationships of mutual trust and interdependence with its customers, employees, dealers, and suppliers.	
		Mission	We are committed to being a highly profitable, socially responsible, and leading manufacturer of high value for money, environmentally friendly, lifetime personal transportation products under the TVS brand, for customers predominantly in Asian markets and to provide fulfilment and prosperity for employees, dealers, and suppliers	Economic focus Socially responsible Customer focus-value for money Environment focus Employee focus-continuous career growth & prosperity and fulfilment Dealers & suppliers-fulfilment & prosperity
4	TATA steel	Vision	We aspire to be the global steel industry benchmark for Value Creation and Corporate Citizenship. We make difference through : Our People Fostering teamwork, nurturing talent, enhancing leadership capability and acting with pace, pride and passion Our Offerings Becoming the supplier of choice, delivering premium products and services, and creating value for our customers Our Conduct Providing a safe workplace, respecting the environment, caring for our communities and demonstrating high ethical standards Our Policies In adherence to the Tata Code of Conduct, Tata Steel's policies pertain to active sets of principles in different areas of operation that help bring uniformity in processes by clearly defining the company's approach Our Innovative Approach Developing leading-edge solutions in technology, processes and products	1.Economic & customer focus-Value creation 2.corporate citizenship 3.employee focus-team building ,talent recognition, prospects for growth, developing leaders. 4.safe work place & respecting the environment. Well communicated policies & innovative approach
		Mission	Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through effective utilization of staff and materials. The means envisaged to	1.Economic focus-optimal use of resources -honesty, integrity,& profitability 2.creates faith in

			<p>achieve this are cutting edge technology and high productivity, consistent with modern management practices.</p> <p>Tata Steel recognizes that while honesty and integrity are essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity.</p> <p>Overall, the Company seeks to scale the heights of excellence in all it does in an atmosphere free from fear, and thereby reaffirms its faith in democratic values</p>	democratic values
5	Sun pharma	Vision	Reaching People and Touching Lives Globally as a Leading Provider of Valued Medicines	Economic focus
		Values	<p>Sunology - a combination of two words, Sun & Ideology is at the core of Sun. Humility, Integrity, Passion & Innovation together form Sunology. It is a way of life at Sun.</p> <p>Humility</p> <ul style="list-style-type: none"> • Under promise and over deliver • Let your work speak for you • Always put 'we' before 'me' • Learn from mistakes <p>Integrity</p> <ul style="list-style-type: none"> • Do the right thing with conviction & without fear • Practice honesty, impartiality & fairness at all times • Adhere to strong ethical and moral standards • Courage to call-out what is not right <p>Passion</p> <ul style="list-style-type: none"> • Infuse energy in everything that you do • Walk that extra mile • Inspire others • Do your best in every situation <p>Innovation</p> <ul style="list-style-type: none"> • Strive to implement new ideas & technologies to meet unmet needs • Encourage others to think out-of-the-box • Do not limit yourself • Believe in raising the bar every time 	
6	Jindal Steel & power Ltd.	Vision	To be a globally admired organisation that enhances the quality of life of all stakeholders through sustainable industrial and business development	Stakeholder focus through sustainable development of business
		Missio	We aspire to achieve business	1.Environment focus-

		n	<p>excellence through: The spirit of entrepreneurship and innovation Optimum utilisation of resources Sustainable environment friendly procedures and practices The highest ethics and standards Hiring, developing and retaining the best people Maximising returns to stakeholders Positive impact on the communities we touch</p>	<p>sustainable environment friendly procedures & practices 2.economic focus-optimum utilisation of resources 3.stakeholder focus-return maximisation 4.societal focus-positive impact on communities</p>
7	Infosys International	Vision	To help our clients meet their goals through our people, services and solutions	Customer focus
		Mission	<p>Infosys International Inc. is dedicated to providing the people, services and solutions our clients need to meet their information technology challenges and business goals. Work to understand the needs and requirements of our clients before proposing a solution Develop responsive proposals that provide cost-effective solutions to our clients needs Deploy the right mix of people and products to deliver value-added services and solutions to our clients Follow-up on the quality of our services and solutions to our clients Appreciate the trust that our clients put in us as we work with them to improve their business and information technology.</p>	<p>Customer focus-value added services, responsive proposals which provide cost effective solutions to the clients. And ensuring quality service</p>
8	Biocon	Mission	<p>To be an integrated biotechnology enterprise of global distinction. Essential to this mission is excellence in: - Intellectual asset creation through discovery, research and development - State-of-the-art manufacturing capabilities - Internationally benchmarked quality and regulatory systems - New medical insight through disease specific clinical research - Customer relationship through outstanding products and services - Human resource development through training, mentoring and empowering - Management of research and business partnerships</p>	<p>Customer focus- Employee focus Economic focus-effective production</p>
		Vision	To enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners	Economic focus

			and healthcare systems across the globe	
9	Bajaj	Vision	Harness our heritage of 90 years and combine it with leading edge scientific knowledge to bring innovative high quality products for consumers across the world to help them get more out of life.	Customer focus
		Mission	We aspire to make BCL a complete FMCG company by introducing a culture of innovation here to create newer pathbreaking products for consumers across the globe We will help our consumers feel good, look good and get more out of life with our premium mixes and make them accessible even in the farthest corner of the rural markets We will strongly Engage with, Develop, Recognize and Retain Talent within the organization across every department We will develop the most efficient ways of doing business by using cutting edge IT tools across all processes and make BCL a future ready organization that can add even more value for our consumers and customers	1.Customer focus-through innovation, to reach out even to rural area, future ready organisation-sustainability 2.employee focus-
10	Reliance Industries Ltd	Vision	To be our clients' 'first call' and preferred collaboration partner within our business areas To consistently exceed our clients' expectations for professional and value-adding advice Our objective is long-standing and trustful client relationships created via excellent advice and service	Customer focus-customer first
		Mission	To provide the best and most value-adding advice within investor relations, financial communications, media relations, crisis communications, issues management and CSR reporting To be an independent sparring-partner and to provide excellent advice for our clients in connection with IPOs, ECM and M&A transactions, corporate governance-related issues as well as in connection with preparations of contingency communications plans	Shareholder interest-corporate governance Stakeholder focus -direct stakeholders including employees

			regarding public takeovers Reliance's activities shall be of benefit for both our clients, collaboration partners, employees and shareholders	
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Source of Data: Company published Vision, Mission and Sustainability Report Statements of individual companies published during 2018