A COMPARATIVE STUDY OF METHODS OF CSR IMPLEMENTATION IN INDIAN CONTEXT

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ABSTRACT

How is corporate social responsibility (CSR) implemented / organized in Indian companies? CSR integration into business operations is one of the great challenges facing Indian organizations today. The companies facing with CSR problems and challenges are required to manage effective ways of implementation of CSR projects. CSR integration with business operations involves planning and implementation of CSR activities. The common requirements of all CSR projects are resources in the form of finance, manpower and time. Depending on the availability of these resources, companies opt for different modes of executing CSR. The organizations need to assess the extent of disturbance in the business operations while adopting a method of implementation of CSR programmes and initiatives. The overall disturbance should be minimum and controllable. The results of adopting a particular method, consequences of disturbance in business operations and long term performance of company must outweigh the cost of adoption of a particular method of implementation of CSR. This study aims to explore the methods of implementation of CSR in Indian companies. Further, it is intended to investigate if there are any differences / uniqueness in methods of CSR implementation and what is the preference of companies in selection of the various methods of implementation of CSR. A structured questionnaire was used to collect the data from top 500 Indian companies resulting in responses from 162 companies. The data was subjected to computing percentages analysis and rating method.

Keywords: Corporate Social Responsibility (CSR), NGO, Methods, CSR Implementation.

INTRODUCTION

How should corporate social responsibility (CSR) implemented in Indian companies? CSR Integration into business operations is one of the great challenges facing Indian organizations today. Global operation makes it necessary to compare how companies of different regions approach
sustainability (Aaron and Singh, 2005). As the effectiveness of implementation of CSR initiatives in the form of new practice often depends on linkages with other routines in the organization, an appropriate response to CSR challenge may require close coordination across relevant functions (Westely and Vredenburg, 1996). Inadequate cross functional co-ordination and organizational barriers (Cordano and Frieze, 2000) can lead to internal conflicts and ultimately weak performance towards achieving societal and corporate goals. After all, companies address social and environmental issues through different types of communications (Husted, 2003). For instance, firms can promote human rights through in-house projects, partnership agreements, or by signing up to industry-wide standards (Abbott, 2012). The companies need to assess to what extent adopting a method of implementation of CSR programmes and initiatives might disturb current routines, whereby any inconsistency should be acceptable low and controllable. At minimum, the positive contribution of CSR programmes to long-run business performance should outweigh the additional costs resulting from any disturbance to current business practices.

The term “CSR” is brilliant one; it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibilities and liability; to others it means socially responsible behaviour in an ethical sense, to still others, the meaning transmitted is that of ‘responsible for’, in the causal mode; many simply equate it with charitable contribution (Votaw, 1973). It is also important to note that almost all types of application strategies and CSR implementation tools depend on type of industry, type of CSR activities/issues undertaken by companies, cultural and political environments in which companies are operating. Thus there will be different methods of implementation of CSR activities by different companies. So there is need to conduct a study to explore the methods of implementation of CSR in Indian companies. Further, it is intended to investigate if there are any differences / uniqueness in methods of CSR implementation and what is the preference of companies in selection of the various methods of implementation of CSR.

METHODS OF IMPLEMENTATION OF CSR AND THEORETICAL FRAMEWORK FOR RESEARCH

Piercy (2002) has defined implementation as ‘a process of making strategy work and identifying the things needed to get from the plans to the action’. The Policy implementation has been defined by Bergen and While (2005) as ‘encompassing those actions by public and private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions’. Further Roome and Jonker (2005) has defined implementation of CSR for their purposes as ‘as an emerging sense making process developed over a period of time, shaped by a series of (non) intentional choices and actions by various actors and influenced by a changing set of conditioning and intervening factors’. According to Ahrne & Brunsson’s (2011) the concept of implementation can be better understood once the organizational elements that are needed to achieve organized orders are unpacked: i.e., membership, hierarchy, rules, monitoring, and sanctioning. Thus initially companies have to come up with available resources to organise CSR. These examples show the variety of ways in which implementation is understood in particular contexts, and show a mix of views of implementation. However, a context-specific definition of implementation does not exist (such is the case with CSR implementation).

There is evidence that companies are investing in their own CSR capacity. This is evident in alignment of CSR with corporate aims and strategy, dedicated CSR personnel and sub-organizational units, budgets, procedures (Moon 2004; see also Bondy et al. 2012; Strand 2012). However, it is now also organized by and with external players such as other businesses associates, governmental or
civil society partners, who bring new forms of organization, norms, incentives, and roles (Moon 2004). According to Gond et al. (2011) organising CSR not only involves partnerships (e.g., between NGOs and firms), CSR standards (e.g., the Global Reporting Initiative), but also regulation through government policies (e.g., for reporting environmental, social and governance impacts). In Indian context, the draft Company Bill Act 2013 (Pradeep Udhas and Sai Venkateshwaran, 2013) provides the guidelines for manner/methods/modes in which the company can undertake/implement CSR activities and incur CSR spend. These guidelines are given in Table-1.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description of Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>The company can set-up a not-for-profit organisation in the form of trust, society or non-profit company to facilitate implementation of its CSR activities. However, the contributing company shall specify projects / programs to be undertaken by such an organisation and the company shall establish a monitoring mechanism to ensure that the allocation to such organisation is spent for intended purpose only.</td>
</tr>
<tr>
<td>II.</td>
<td>A company may also implement its CSR programs through not-for-profit organisations that are not set up by the company itself.</td>
</tr>
<tr>
<td>III.</td>
<td>CSR spends may be included as part of company’s prescribed CSR spend only if such organisations have an established track record of at least 3 years in carrying on activities unrelated areas.</td>
</tr>
<tr>
<td>IV.</td>
<td>Companies may also collaborate or pool resources with other companies to undertake CSR activities.</td>
</tr>
<tr>
<td>V.</td>
<td>Only CSR activities undertaken in India would be considered as eligible CSR activities.</td>
</tr>
<tr>
<td>VI.</td>
<td>CSR activities may generally be conducted as projects or programmes (either new or on-going), however, excluding activities undertaken in pursuance of the normal course of business of a company.</td>
</tr>
<tr>
<td>VII.</td>
<td>CSR projects/programs may also focus on integrating business models with social and environmental priorities and processes in order to create shared value.</td>
</tr>
<tr>
<td>VIII.</td>
<td>CSR activities shall not include activities exclusively for the benefit of employees and their family members.</td>
</tr>
<tr>
<td>IX.</td>
<td>CSR spend may contribute towards Central &amp; State Government funds for socio-economic development and relief.</td>
</tr>
</tbody>
</table>


The theoretical framework for this study is derived from the guidelines as given in Table-1. Based on these guidelines, 5 methods of CSR implementation are found. These 5 methods of CSR implementation are listed in Table-2.
### Table - 2

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description of Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method-1</td>
<td>Through separate CSR Project Management Department</td>
</tr>
<tr>
<td>Method-2</td>
<td>Through Partner NGOs</td>
</tr>
<tr>
<td>Method-3</td>
<td>Through Establishing Trust/Foundation/Society</td>
</tr>
<tr>
<td>Method-4</td>
<td>Through collaborating with other companies</td>
</tr>
<tr>
<td>Method-5</td>
<td>Through funding to Government</td>
</tr>
</tbody>
</table>

Source: Data compiled by Author.

The detailed explanation of these 5 methods of CSR implementation is given below:-

**METHOD-1 (THROUGH SEPARATE CSR PROJECT MANAGEMENT DEPARTMENT)**

Setting up CSR Projects Management Department involves appointment of some expert staff with the responsibility of assessing the social needs and problems and formulate the strategies to tackle them. These departments are not necessarily called “CSR”, but carry a variety of names, including sustainable development, sustainability, environmental affairs, social compliance public affairs or combinations thereof. These CSR departments manage the company's social programs and make sure that the company's efforts in the field of corporate social responsibility remain in the eyes of the public. Having a special department to look after CSR issues depends on the size and CSR issues undertaken by companies. CSR departments have the responsibility of planning, implementing, and monitoring the CSR practices of the companies. They decide the areas of CSR to be addressed and come out with a social responsibility project. New Company Bill Act 2013 has made it mandatory for companies falling under this section to have a CSR committee. The CSR committee shall consist of 3 or more directors, out of which at least one shall be independent. CSR committee would be responsible to formulate CSR Policy, recommend the CSR activities as specified in Schedule VII & monitor the CSR expenditure. Board would be mandatorily required to disclose its CSR Policy in its report and on the company’s website.

**METHOD-2 (THROUGH PARTNER NGOS)**

Partnership between business and non-profit organizations is an increasingly prominent element of CSR. A non-governmental organization (NGO) is any non-profit, voluntary group that is organized at a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions. They bring people's concerns to governments, advocate and monitor policies, and encourage political participation through provision of information. Some are organized for some specific issues, such as human rights, environment, education, or health. Such cross-sector partnerships have been one of the most exciting and challenging ways that organizations have been implementing CSR in recent years (Seitanidi and Ryan, 2007). A general definition of partnerships in a CSR context is “collaborative
arrangements in which actors from two or more spheres of society (state, market, and civil society) are involved in a non-hierarchical process, and through which these actors strive for a sustainability goal.” (van Huijstee et al. 2007). Non-governmental organizations (NGOs) normally don’t have enough financial or knowledge recourses. However, due to their focus on specific issues, they could work more effectively and actively on them than the companies that have a commercial goal as their base. Corporates increasingly join hands with Non-government organizations (NGOs) and use their expertise in devising programs which address wider social problems.

METHOD-3 (THROUGH ESTABLISHING TRUST/FOUNDATION/SOCIETY)

The trust/foundation/society is established to provide structure and focus to ongoing social responsibilities of a company. They are given separate budget for the whole year, which may be evaluated from time to time for enhancement, so that different social responsibilities are executed successfully. Where a company has been set up with a charitable objective or is a Trust/Society/Foundation/any other form of entity operating within India to facilitate implementation of its CSR activities, then it shall be applied that; (a) contributing company would need to specify the projects/ programs to be undertaken by such an organization, for utilizing funds provided by it; (b) contributing company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.

METHOD-4 (THROUGH COLLABORATING WITH OTHER COMPANIES)

Companies may collaborate or pool the resources with other companies to undertake CSR activities. This method is mostly adopted for the bigger projects like construction of orphanage, schools, hospitals, etc. for the society. Joint ventures are created mainly to achieve synergies that lead to reduction in the cost.

METHOD-5 (THROUGH FUNDING TO GOVERNMENT)

The contribution to Prime Minister’s National Relief Fund and such other funds as set up by Government falls under this method. Schedule VII of the Company Bill Act 2013 recommends “Contribution to PM’s national relief funds and such other funds established by central or state government for socio-economic development and relief and welfare of scheduled castes and scheduled tribes and other backwards classes, minorities and women” as one of the activities to be taken under CSR. The companies may also use this mode of CSR implementation as per Company Bill Act 2013.

REVIEW OF LITERATURE

A number of research papers and articles provide a detailed insight on methods of implementation of CSR activities of companies in different countries in various industries. The findings from the literature are presented below:-

Andre Nijhof (2008) conceptualised the extent to which partnerships with non-governmental organisations (NGOs) are necessity for successful efforts of business in the area of corporate social responsibility (CSR). The study revealed that based on three different strategies towards CSR, the suggestion is that NGOs tend to become involved in partnerships with companies that have an interest in postponing concrete results, while partnerships with companies that have the
potential for the biggest contribution to the ambitions of NGOs have the highest risk of diminishing NGO-legitimacy.

Terje I. Vaaland et al. (2008) highlighted that CSR should be managed by a combination of handling unexpected episodes that threaten existing social responsibility (incident recovery) and the long-term reduction of gaps between stakeholder expectations and the company performance (CSR enforcement). Furthermore, it was suggested that CSR implies building and maintaining relationships with society through interplay between actors, resources and activities.

Boston College Center for Corporate Citizenship (2009) also provided insights into the organization of CSR within large North American companies. The study confirmed that managing a company’s role in society is becoming a formal part of corporate structure and management, as many companies are internalising CSR as a function of corporate departments and/or cross-departmental teams. The survey also reveals that departments dedicated to CSR are beginning to emerge. Studies thus point towards an increase in the formalization of CSR, made visible by the centralization of CSR activities in specialised departments.

Hung Woan et al. (2010) explored the most potent internal resources of a firm that contribute to the CSR agenda. The results implied that firms that are intent on being CSR-active should consider implementing the various management systems relevant for their businesses. Managers responsible for the CSR agenda might wish to highlight the fact that adherence to such systems actually contributes to the bottom line, thus minimizing resistance from decision-makers, who might view CSR as a costly initiative.

Jeffrey Avina, (2011) argued that a structured approach of engagement to the private sector for CSR support is possible if public safety entities understand how to effectively involve private sector organizations in their work. This includes clear tangible asks with demonstrable returns and an eye to understanding what effective CSR encompasses from an outcome perspective but also from the perspective of what drives the private sector to engage in CSR.

David Katamba et al. (2012) conducted a study to investigate how business enterprises in Uganda manage their corporate social responsibility (CSR) activities and projects. The findings showed unbalanced engagement in CSR for business managers in Uganda. Managers are largely motivated towards CSR by external factors such as attracting and retaining customers, enhancing reputation and operational efficiencies to achieve competitive advantage, rather than internal factors such as CSR policies, employee welfare and CSR reporting. Another significant finding was that the responsibility to initiate, administer, and monitor CSR activities are largely vested in middle-level managers. These factors pose many challenges to CSR implementation amongst managers in Uganda.

Baumann-Pauly et al. (2013) studied how firm size affects the organization of CSR. Based on a comparative study of Swiss MNCs and SMEs, they argued that small firms possess several organizational characteristics that promote the implementation of CSR-related practices in core business functions, but, at the same time, constrain external communication and reporting. By contrast, MNCs possess characteristics that are favourable for promoting external communication and reporting, but, at the same time, constrain internal implementation.

Arenas et al. (2013) suggested that it is important to examine the role of third parties in understanding collaboration between firms and civil society organizations. They analysed the presence of third parties and their different roles to explain how collaboration is facilitated. Further Burchell and Cook (2013) examined the theoretical implications of the changing relationships between NGOs and businesses that have emerged as a response to the evolving agenda around CSR and sustainable development. They do so by focusing on a process of appropriation and co-optation of protest by the business community.
Mohammad Safari Kahreh et al. (2013) investigated the CSFs (Critical success factors) for CSR implementation in Iranian banking sector. This study first provided a framework for CSR implementation in the banking sector. Based on the viewpoint of the experts of this research, 23 CSFs for CSR implementation were identified and then the importance of these CSFs was determined. All the identified CSFs were categorized into the five main sections of the organizational functional areas. These functional areas include financial, marketing, environmental, strategic and human resources.

Henry Ogiri Itotenaa et al. (2014) conducted a study for CSR policy making and implementation in developed countries. The study revealed that: voluntary CSR implementation and reporting; transparency; and execution of national policy statement on CSR, are the process indicators of CSR implementation in developed society. The results of this study could have policy implications for both executive and MPs of national governments in developed society for CSR regulatory policies.

From above literature review, it is cleared that the companies across the world are involved in one or another method for implementing their CSR activities and trying to make their effort successful towards effective implementation of CSR. But it is evident that there is relative paucity of information in the literature with regards to Indian context. Through this exploratory study, we seek to partially fill this lacuna by identifying the methods of CSR implementation in Indian companies.

PROBLEM STATEMENT

The companies are involved in various areas of CSR activities. But the question is how these companies are executing their CSR activities in India. Integration of CSR with business operations involves planning and implementation of CSR activities. The common requirements of all CSR projects are resources in the form of finance, manpower and time. Depending upon the availability of these resources, companies opt for different modes of executing CSR practices. CSR has varied enormously by context, particularly the context of place, or national business systems (Matten and Moon 2008). Moreover, the most important characteristic to note in CSR is its susceptibility to change (Gond and Moon 2011). The Change has been evident through variations in (i) the relative significance of Garriga and Mele’s (2004) theoretical positions on CSR (ii) the balance of importance attached to the different levels of responsibility in Carroll’s (1979) CSR pyramid (iii) the variable prioritization of particular stakeholders (iv) balance of social, economic, environmental, and governance criteria used in assigning and claiming responsibility. Thus the method of implementation may vary according to these characteristics. Further, the companies CSR is currently characterised by many unsystematic practices, i.e. groups of arrangements that are fit for purpose within specific contexts but which lack transferability and sustainability. There is a lack of studies in Indian context, which explore the methods of implementation of CSR, their analysis for most preferred methods and any differences / uniqueness therein. So a need is felt by author to conduct a study which explores methods of implementation of CSR in Indian companies, and preferences and any differences / uniqueness among these methods. The comparative study is conducted among the three groups of companies. The three groups of companies are: Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs) and are explained in Table-3. Existing literature shows that no such study has been undertaken so far to the best of our knowledge which showcases comparative analysis of methods of implementation of Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs).
Table - 3

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Group of Companies</th>
<th>Label</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Private Indian Companies</td>
<td>PICs</td>
<td>A company owned either by non-government organization or by a relatively small</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>number of shareholders or company members and which owns and controls production</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>and services facilities in India only</td>
</tr>
<tr>
<td>II</td>
<td>Multinational Companies</td>
<td>MNCs</td>
<td>A company which owns and controls production and services facilities in more</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>than one country</td>
</tr>
<tr>
<td>III</td>
<td>Public Sector Undertaking Companies</td>
<td>PSCs</td>
<td>A government-owned corporation in India, in which, majority (51% or more) of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the paid up share capital is held by central government or by any state</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>government or partly by the central governments and partly by one or more</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>state governments.</td>
</tr>
</tbody>
</table>

Source: Data compiled by Author from Wikipedia

OBJECTIVES OF STUDY

The present study aims on identifying and analysing the preferences to methods/modes of implementation of CSR activities in Indian companies and a comparative study for differences / uniqueness for that among Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs);

Aiming at the following objectives:-

a) To identify methods of implementation of CSR practices in Indian companies.
b) To analyze most preferred method of implementation of CSR activities.
c) To analyze significant differences/uniqueness among CSR implementation methods.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. The secondary data is used for the theoretical framework of the study and primary data is used for the comparative analysis. The sample of top 500 Indian companies is selected. For top 500 Indian companies, help was taken from data base of Indian companies available on website www.fundoodata.com. The study focuses on companies that have successfully integrated CSR into corporate strategy and practising successfully CSR in their companies. Therefore the websites of these companies have been visited to identify that whether they are following CSR practices or not. For the analysis of the research objectives, a self-structured questionnaire is devised. In the questionnaire, the respondents were requested to select methods of implementation of CSR activities / projects being used by their companies. The questionnaire was sent to each such company (the companies, who practice CSR) on email. The difficulty was felt to get the concerned CSR person through websites of these companies; so in this regard help was taken from social network LinkedIn to get contacts of concerned CSR persons of selected companies. Good efforts are made to contact CSR persons on phone for discussion about the CSR activities and their methods of implementation. The telephonic discussion with CSR persons enhances the response rates. The responses from 162 companies (79 Private Indian companies, 54 from Multinational companies and 29 from Public Sector Undertaking companies) were received from the following sectors:-

Madhu Bala, “A Comparative Study of Methods of CSR Implementation In Indian Context” – (ICAM 2015)
a) Automobile b) Chemical c) Construction d) Electronics e) Financial Services f) Heavy Manufacturing Industries g) Iron & Steel h) IT i) Mining j) Oil & Gas k) Pulp & Paper l) Power Generation m) Textile

The data collected has been analyzed by computing percentages and rating method.

**ANALYSIS, RESULTS AND DISCUSSION**

The percentages taking all the companies collectively have been computed and results are shown in Table-4. The Table-4 highlights the comparative analysis of involvement of all three groups of companies; PICs, MNCs and PSCs in various methods of executing CSR. Ranks are given to group of companies on the basis of their involvement in a particular method. First rank shows that more companies from that particular group of companies use a particular method as compared to the other groups of companies having subsequent ranks. Following is the detailed explanation of the different methods and companies involvement therein.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Methods of CSR Implementation</th>
<th>All Companies</th>
<th>PICs</th>
<th>MNCs</th>
<th>PSCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Through separate CSR Project Management</td>
<td>69.1</td>
<td>62.0</td>
<td>2</td>
<td>75.9</td>
</tr>
<tr>
<td>II</td>
<td>Through Partner NGOs</td>
<td>52.5</td>
<td>43.0</td>
<td>3</td>
<td>63.0</td>
</tr>
<tr>
<td>III</td>
<td>Through Establishing Trust/foundation/society</td>
<td>35.8</td>
<td>39.2</td>
<td>1</td>
<td>31.5</td>
</tr>
<tr>
<td>IV</td>
<td>Through collaborating with other companies</td>
<td>27.2</td>
<td>25.3</td>
<td>3</td>
<td>29.6</td>
</tr>
<tr>
<td>V</td>
<td>Through funding to Government</td>
<td>15.4</td>
<td>16.5</td>
<td>2</td>
<td>22.2</td>
</tr>
</tbody>
</table>

Source: Analysis of Primary Data, Author’s Work

The involvement of 69.1% of all collective companies indicates that “Through separate CSR Project Management” is the most preferred method of executing CSR practices in India. This reason behind this may be Indian Company Bill Act; wherein it is mandatory to have a CSR committee in the companies falling under this section. This method is again the most preferred by MNCs & PSCs. First rank is given to MNCs and PSCs on the basis of their involvement (75.9%) in this method. First rank shows that more MNCs and PSCs use this method as compared to the PICs having rank 2 as much as 62.0% of the companies from PICs are involved in this method.

“Partnering with NGOs” is the second most preferred method of executing CSR practices in India. As much as 52.5% of all companies prefer to tie up with NGOs. 63% of the companies from...
MNCs group reported to have tie ups with NGOs in India. However this percentage is 58.6% for PSCs and 43% for PICs. This shows that alliance with NGOs is the most popular method among MNCs followed by PSCs and PICs. The reason behind most popular method among MNCs may be to use expertise of NGOs for particular social cause and want to save time and resources of company.

Next most preferred way of implementing CSR is “Through establishment of Trust/foundation/society” for social issues. 35.8% of companies reported to follow this mode. This method is popular in PICs (39.2%) followed by PSCs (34.5%) and MNCs (31.5%).

The method “Through collaboration with other companies” is at fifth place. As many as 27.2% companies reported to have joined hands with other companies for socially responsible projects. This method is mostly adopted for the bigger projects like construction of orphanage, schools, hospitals, etc. for the society. Joint ventures are created mainly to achieve synergies that lead to reduction in the cost. MNCs (29.6%) reported to have joint ventures with other companies for social programmers and they are at first place. PSCs are at second place (27.6%), and PICs are at third place (25.3%).

CSR implementation “Through funding to government” is the least preferred method. Only as much as 15.4% companies reported to go this way. The reason behind this may be flaw in this method and subject to misuse. As per the submission of the Prime Minister’s Office (PMO) to the Central Information Commission, the Prime Minister’s National Relief Fund itself is not a Government body and is not even answerable to either houses of the parliament. The fund consists entirely of public contributions and does not get any government budgetary support. MNCs (22.2%) are at the first place and PICs are at the second place to opt this method of implementation. As per norms, PSCs cannot contribute to Prime Minister’s National Relief Fund.

Table-5 shows the preference given by companies to different methods of implementing CSR activities in India. Accordingly, ranks are given to different methods separately for each group of companies. This ranking shows the preference given to a particular method by various group of companies.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Method of Implementation of CSR</th>
<th>All Companies</th>
<th>PICs</th>
<th>MNCs</th>
<th>PSCs</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%age</td>
<td>Rank</td>
<td>%age</td>
<td>Rank</td>
</tr>
<tr>
<td>1</td>
<td>Through separate CSR Project Management</td>
<td>69.1</td>
<td>1</td>
<td>62.0</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Through Partner NGOs</td>
<td>52.5</td>
<td>2</td>
<td>43.0</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Through Establishing Trust/foundations/society</td>
<td>35.8</td>
<td>3</td>
<td>39.2</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Through collaborating with other companies</td>
<td>27.2</td>
<td>4</td>
<td>25.3</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Through funding to Government</td>
<td>22.2</td>
<td>5</td>
<td>16.5</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Analysis of Primary Data, Author’s Work

Madhu Bala, “A Comparative Study of Methods of CSR Implementation In Indian Context” – (ICAM 2015)
The percentage analysis shows that “Through separate CSR Project Management” method is the most preferred and popular method in all group of companies (PICs, MNCs & PSCs) and got the first rank. The involvement of MNCs (75.9%) and PSCs (79.5%) is more than PICs (62%). This method got the first rank; may be due to effective control and monitoring of implementation of CSR activities under direct supervision of companies own personnel. Thereafter method “Through Partner NGOs” has got second most popularity in all groups of companies, although MNCs (63%) involvement is more in this method than PISs (43%) and PSCs (58.6%) still preference within the group is same.

The method “Through Establishing Trust/foundation/society” is at the third place; there is little difference in percentage involvement in this method (PICs-39.2%, MNCs-31.5%, PSCs-34.5%). The method “Through collaborating with other companies” is at fourth place and again there is little difference in percentage involvement in this method (PICs-25.3%, MNCs-29.6%, PSCs-27.6%). The method “Through funding to Government” is at the fifth place in case of PICs and MNCs and is the least preferred method for implementation of CSR activities. PSCs show no involvement in this method.

CONCLUSION

The present study aims on analysing the preferences to methods/modes of implementation of CSR activities in Indian companies and a comparison of that among Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs). The percentage analysis (as given in Table-5) clearly indicates that there is percentage variation of involvement of companies in a particular method however the preference to a particular method is same. So the conclusion can be drawn as given in Fig-1 as regard to choice of method of implementation of CSR is concerned.

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**Fig 1: Choices of Method**

The method “Through separate CSR Project Management” is first choice of method in all groups of companies (PICs, MNCs & PSCs). The method “Through Partner NGOs” is second choice of method in all groups of companies (PICs, MNCs & PSCs). The method “Through Establishing Trust/foundation/society” is third choice of method in all groups of companies (PICs, MNCs & PSCs). The method “Through collaborating with other companies” is fourth choice of method in all groups of companies (PICs, MNCs & PSCs). The method “Through funding to Government” is the least preferred method in all groups of companies (PICs, MNCs & PSCs).
is fifth choice of method in PICs and MNCs. The analysis of the involvement of companies in a particular method (as given in Table-4), the conclusion can be drawn as explained in Fig 2. Where I-Level represents the 1st group of companies having highest %age involvement in a particular method; II-Level represents 2nd group of companies having %age involvement between highest %age involvement and lowest %age involvement in a particular method, III-Level represents 3rd group of companies having lowest %age involvement in a particular method.

The present study highlights the trend of methods of implementation of CSR activities in Indian companies. There is no difference in choice of selection of method of implementation however the involvement in a particular method varies among groups of companies and within the group also. The study is useful for other companies who have yet to engage in CSR activities in developing their methods for execution of CSR activities.

Through separate CSR Project Management
PICs (62%) ➞ II-Level  MNCs (75.9%) ➞ I-Level  PSCs (75.9%) ➞ I-Level

Through Partner NGOs
PICs (43%) ➞ III-Level  MNCs (63%) ➞ I-Level  PSCs (58.6%) ➞ II-Level

Through Establishing Trust/Foundations/Society
PICs (39.2%) ➞ I-Level  MNCs (31.5%) ➞ III-Level  PSCs (34.5%) ➞ II-Level

Through collaborating with other companies
PICs (25.3%) ➞ III-Level  MNCs (29.6%) ➞ I-Level  PSCs (27.6%) ➞ II-Level

Through funding to Government
PICs (16.5%) ➞ II-Level  MNCs (22.5%) ➞ I-Level  PSCs (0.0%) ➞ No-Level

**Fig 2:** Involvement in Methods

**LIMITATIONS AND SCOPE OF FURTHER RESEARCH**

The present study gives an idea of ways of CSR implementation among Indian companies and uniqueness/differences therein among selected group of companies. An industry specific research can be conducted to know the involvement of companies in various methods. A comparison of implementation of CSR practices of companies across sector wise industries can also be done. Another possible area for further research is comparison of implementation of CSR practices of companies across the countries/regions/continents of the world.

There are many other ways for implementing the CSR in companies, e.g. conducting charitable events yearly, direct monetary help to society etc. So further research can also be done to identify other possible ways for implementation of CSR practices by companies.

**REFERENCES**


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