The Dichotomy of CSR approaches and Indian CSR

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Abstract:

The concept of CSR originated in the fifties of the last century when Howard R Bowen wrote a seminal book The Social Responsibilities of a Businessman (Carroll takes him to be the father of CSR (Carroll, 1999)) Since then the notion of CSR has come to dominate the society business interface and many theories and approaches have been proposed, many definitions have also been given in order to understand and explain the concept. Although the concept has normative origins, a lot of literature has attempted to give positive hue to the concept by linking firm's performance with the performance on CSR. Some have gone ahead and suggested that the CSR notion can be strategically used by companies to gain competitive advantage while some continue to take the stance that it is the moral duty of a business to be socially responsible regardless of its impact on the profitability of the company. The CSR literature is dominated by this dichotomy of approaches mentioned hereinafter as altruistic CSR and strategic CSR. The paper takes a critical look at these two approaches and attempts to define the notion of CSR and its two dimensions strategic and altruistic CSR

Introduction:

A study of business history in India shows that the corporate interest in society originated in charity, moved on to philanthropy and culminated in CSR. Several studies originating in the Centre for the Advancement of Philanthropy have unmistakably pointed to this fact (c.f. Dadravala, 1992; Lala, 1981 & 1992 and Karanjia, 1997). Although the Business and Society interface has a long historical existence seeped in Indian tradition of daan, dhrama and karma, the concept of CSR came to India in its present form principally from the West. It originated in the fifties of the last century when Howard R Bowen (Bowen, 1953), whom Carroll takes to be the father of CSR (Carroll, 1999) wrote a seminal book The Social Responsibilities of a Businessman. Since then the notion of CSR has come to dominate the society-business interface and many theories and approaches have been proposed. Simultaneously, many definitions have also been given in order to understand and explain what the concept meant. The predominant concerns have been to both posit and validate the argument that CSR is desirable in its own right or is practiced because it is in the long term interest of corporations to do so (Oosterhout et al, 2006). Winds of change have engulfed the global political economy especially after disintegration of the Soviet Bloc and the emergence of a unipolar capitalist world economy (Wallerstien, 1980; Sadri, 1985 and Sadri et al, 1966). The perspectives on CSR have also changed from the shareholder primacy perspective which, taking an agency perspective of a firm, argued that the only social responsibility of a business is 'to make profits', (Friedman 1970), to stakeholder primacy perspective (Freeman 1984), which argued that business needs to engage and manage expectations of 'all the stakeholders' who can affect and get affected by the business. The concept has been consequently defined in several ways.

In 1960, Keith Davis suggested that social responsibility refers to businesses' "decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical and interest." He defines CSR as "the firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm (Davis 1973). In contradiction thereof, Archie Carroll has outlined economic, legal, ethical and discretionary responsibilities of business and stated that "The CSR firm should strive to make a profit, obey the law, be ethical and be a good corporate citizen." (Carroll 1999).

R Edward Freeman (1984) presented a more positive view of Managers' support to CSR in the stakeholder theory proposed by him. He asserted that managers must satisfy a variety of constituents, (workers, customers, suppliers, local community organizations etc.), who can influence the outcome of the firm .This theory marked an important shift from shareholder primacy perspective to a stakeholder perspective.

Frederick (1987, 1998) outlined a classification based on a conceptual transition from the ethical- philosophical concept of CSR (CSR1), to the action oriented managerial concept of Corporate Social Responsiveness (CSR2). He then included the normative element based on the ethics and values (CSR3) and finally introduced the cosmos as the basic normative reference for social issues in management and considered the role of science and religion in these issues (CSR4). Woods (1991) argued, "The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes." To assess whether a corporation meets society's expectations, she points to "the degree to which principles of social responsibility motivate actions taken on behalf of the company " She also argued that "Managers are moral actors" who are to exercise their discretion to meet expectations" She strongly suggested to substitute the language of force ,coercion and violence with the language of choice and freedom and mature relationships at individual , corporate and societal level to make good ethical choices to create good society.

Donaldson and Preston (1995) while expanding the stakeholder theory stressed the moral and ethical dimensions of CSR as well as developed a business case of CSR.

Hart (1995) took a resource based view of the firm and argued, with specific reference to environmental social responsibility, that CSR can constitute a resource capability that leads to sustainable competitive advantage.

Jones (1995) looked at CSR from the stakeholder perspective and argued that firms involved in repeated transactions with the stakeholders have an incentive to be honest and ethical

Barron (2001) termed CSR as corporate redistribution and classified it into three categories as motivated by self interest, normative principles and threats from the stakeholders. He termed the profit maximizing CSR motivated by self-interest as strategic CSR.

Geoffrey P. Lantos (2001) while building a case for strategic CSR argued that for any organization ethical CSR (avoiding societal harms) is obligatory. For a publicly-held business altruistic CSR (doing good works at possible expense to stockholders) is not legitimate, and that companies should limit their philanthropy to strategic CSR (good works that are also good for the business). Thereby he placed CSR initiatives squarely within the realms of bounded rationality. He has also distinguished between responsibilities which are mandatory and which are voluntary. According to him responsibilities which are mandatory can not be treated as CSR while those that are voluntary can.

Some other scholars have also argued similarly in that if the CSR contribution is voluntary it should constitute CSR else it may be termed as corporate responsibility (Jamali D, 2007). Adopting this logic Dima Jamali argues that the use of the term CSR should be restricted to Social Voluntary

Responsibility (that can either be altruistic or strategic) and the term corporate responsibility can be used for the other (economic, legal and ethical) responsibilities given by Carroll.

A view that is promoted by Dadravala (1992) in the Centre for the Advancement of Philanthropy is all about CSR being a voluntary activity in its early stages of its growth and transforming itself into a strategic compulsion with the emergence of a highly competitive product and factor market.

Based on the above perspectives the essential elements that define the form and the content of CSR may be identified as under

1. Sufficient focus by the enterprise on its contribution to the welfare of society
2. The relationship with its stakeholders and society at large
3. Voluntary nature

The first part of the definition emphasizes the company's contribution to the welfare of society. This element is closely related to the 'values and objective of society' and 'benefit society' stressed most of the definition above. (Bown, 1953; Carroll, 1979 &1999; Woods, 1991)

The second element of the CSR definition stresses the importance of stakeholder management which has been stressed by Freeman (1984), Donaldson and Preston (1995) & Jones (1995)

The third element of voluntary nature of CSR has been stressed upon by Lantos (2001) and Jamali D. (2007)

The Stakeholder Theory:

The stakeholder theory as proposed by Freeman (1984) was instrumental in shifting the focus of CSR from shareholder primacy perspective to stakeholder primacy perspective. The stakeholder theory developed focuses on the interactions between firms and society. Over the years the stakeholder theory has been recognized as an integral part of CSR by many authors (Harrison & Freeman, 1991; Klonoski, 1991; Clarkson, 1995; Dawkins & Lewis, 2003). It is argued that through effective stakeholder management social and ethical issues can be resolved and the demands of society and also the shareholders will be accounted for (Harrison & Freeman, 1991) Every company has stakeholders who can influence the company's performance and stakeholders that have a stake in the company's performance. Or, put differently, businesses have relationships with stakeholders that affect and are affected by the company's decisions (Jones & Wicks, 1999).

Because the stakeholder theory is concerned with all parties that influence and are influenced by the company, it can automatically be linked to CSR (Klonoski, 1991). The obligation towards every stakeholder needs to be identified and the company needs to assume responsibility for meeting their obligations towards their stakeholders (Robertson & Nicholson, 1996). Whether the stakeholders are employees, stockholders, customers or Non-Governmental Organizations, all the issues they feel are important need to be taken into consideration by the company to a certain extent. It is important for companies to identify all their stakeholders, because stakeholders that might not be recognized still have expectations of the corporation.

CSR Motivations:

This is simply the answer to the question what causes a corporate house to embark on CSR or alternatively, what is the philosophical underpinning that makes a corporate house undertake CSR initiatives. Barron (2001) has stated that in order to receive a CSR label both motivation and performance are critical.

There is and has been a lot of debate about the purposes and reasons for CSR. The question "why would a firm practice CSR?" has been raised often, as were its answers. The answers were mostly two fold, on the one hand the enlightened self-interest of the firm was mentioned, and on the other hand authors argued that the role of business in society requires the use of CSR.

Garriga and Melé (2004) have identified four theoretical approaches to CSR, which have been used by Timo Cochius (2006) to answer the question on the motivations for CSR firms have. These CSR motivations were based on four classifications of CSR theories based on the dimensions of profits, Political performance, Social demands and ethical values into four categories (1) Instrumental Theories , in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; (2) Political Theories, which concern themselves with the power of corporations in society and a responsible use of this power in the political arena; (3) Integrative Theories, in which the corporation is focused on the satisfaction of social demands; and (4) Ethical Theories, based on ethical responsibilities of corporations to society.

Jamali (2007) accepts that these approaches overlap with the motivations of enlightened self- interest and the role of business in society, and the other two motives (Ethical and Integrative) are considered as they add value by means of giving more detailed descriptions and classifications of the same motivations.

Barron (2001) Talked about the motivations of self interest, moral values, addressing the threats. Lantos grouped the motivations into three categories ethical, altruistic and strategic motivations.

Graafland et al distinguished between the positive strategic and positive moral motivation and concluded that both strategic and moral motivation are important for corporate social performance. (Graafland, 2006). Porter and Krammer (2003) have also distinguished between pure philanthropic and pure business view focusing on social benefit and economic benefit respectively.

The above discussion leads us to conceptualize CSR as having two fundamental approaches or motivations underlying all the CSR literature : Strategic (Also termed as Value driven, Instrumental, Driven by Self Interest, Profit maximizing CSR) vs. altruistic (Alternatively termed as Philanthropic, Value based, Ethical, Moral, and Humanitarian CSR). In the approaches where this dichotomy is not clearly demarcated, it may be explained with the reference to the classification made by Lantos (2001) and the definition given earlier based on whether the CSR practice is voluntary or mandatory as under. If the CSR contribution is voluntary it should constitute CSR else it may be termed as corporate responsibility (Jamali D., 2007). Adopting the logic Dima Jamali argues that the use of the term CSR should be restricted to Social Voluntary Responsibility and the term corporate responsibility can be used for the other (Economic, legal and ethical) responsibilities given by Carroll. Applying the same yardstick to the CSR as motivated by threats given by Barron (2001) or the ethical CSR given by Lantos (2001), which being mandatory may be considered to be out of the bounds of CSR definition.

In the classification given by Elisabet Garigga and Domenec Mele the instrumental theorists are motivated by strategic motives, while the rest of the motives; political theorists motivated by responsible use of the power in the political arena; Integrative theorists focusing on satisfaction of social demands and ethical theories based on ethical responsibilities of corporations to society of may be grouped under the CSR motivated by normative principles or altruistic CSR.

Strategic Motivation has also been termed in the literature as economic benefit (Porter and Krammer ,2003 : Windsore (2006)) Instrumental approach (Garriga and Melé (2004)). CSR with this motivation (hereinafter referred to as strategic CSR) is supported by the argument of enlightened self interest and focuses on the economic benefit of the organization and aims at gaining some advantage out of CSR in terms of reputation, market acceptance, employee motivation, corporate image, government support and aims at profit maximization either in the short run or long run. Davis (1973) indicates numerous reasons for adopting CSR into a firm's daily practice that will lead to business advantages. He argues that the long-run self interest is one of the most prevalent reasons to practice CSR. This belief assumes that business needs to provide a variety of social goods in order to remain profitable in the long run. The company that takes community needs into account will create a better community for conducting business (Davis, 1973).

Strategic CSR or "strategic philanthropy" (Carroll, 2001) is done to accomplish strategic business goals—good deeds are believed to be good for business as well as for society. With strategic CSR, corporations "give back" to their constituencies because they believe it to be in their best financial interests to do so. This is "philanthropy aligned with profit motives" (Quester and Thompson, 2001) social goals might be profitable in the long run since market forces provide financial incentives for perceived socially responsible behavior. Stakeholders outside the stockholder group are viewed as means to the ends of maximizing shareholder wealth (Goodpaster, 1996).Such strategic philanthropy grew popular beginning around the mid-1980s (Jones, 1997), and Carroll (2001) expects it to grow in the years ahead. The idea is that while being socially responsible often entails short-run sacrifice and even pain, it usually ultimately results in long-long-gain. Expenditures on strategic CSR activities should properly be viewed as investments in a "Goodwill Bank" (Vaughn, 1999) which yields financial returns (McWilliams and Siegel, 2001). These long-term benefits might not immediately show up on a firm's financial statements, as is true of economic outcomes of many marketing activities, such as marketing research and image-building advertising. Also, a company is wise to make deposits in this bank of goodwill in order to make withdrawals when it comes under fire.

Providing for good works from the corporate coffer is therefore compatible with Friedman's neoclassical economic view so long as the firm reaps indirect financial benefits (Boatright, 2000). We might find a corporation practicing strategic CSR by providing charitable good deeds such as providing shelter for the destitute, building a museum, or renovating the local park if, as a result, those helped will feel grateful and indebted to that organization, and will reciprocate in various ways by giving it their business, recommending it to others, asking government regulators to stay at bay, and so on. And, some of those not directly helped will still look more favorably on the firm and thereby turn their loyalties toward it (Brenkert, 1996)

Several Studies have been conducted confirming the positive impact of CSR on the corporations.

CSR can affect profitability (Graafland 2004; Graafland and Smid 2004). First, it can improve the company's reputation in the consumer market (Fombrun and Shanley,1990). Miles and Covin (2000) find empirical support for the claim that environmental stewardship creates a reputational advantage that enhances marketing and financial performance. Several other empirical studies show that a good social reputation facilitates the support of consumers to buy or refrain from buying goods, especially in the retail sector (Brown and Dacin 1997). There is evidence that a negative social reputation ultimately can have a detrimental effect on overall product evaluations whereas a positive social reputation can enhance product evaluations (Brown and Dacin 1997).Second, a good CSR reputation may also be rewarded by both potential employees and the current workforce (Turban and Greening 1996)

These studies exploring the linkage between the Firms' Social Performance and corporate performance have given impetus to the thinking on this dimension to the extent that Lantos (2001) argues that Strategic CSR is the only legitimate form of CSR for organizations.

Altruistic Motivation is the other category of motive and CSR based on this motive herein after referred to as Altruistic CSR

According to Lantos (2001) the term altruistic or humanitarian CSR suggest genuine optional caring, even at possible personal or organizational sacrifice. Altruistic CSR is Carroll's "fourth face" of CSR—philanthropic responsibilities—to be a "good corporate citizen" by "giving back" to society, furthering some social good, regardless of whether the firm will financially reap what it has spiritually sown. It demands that corporations help alleviate "public welfare deficiencies" (Brenkert, 1996), such as urban blight, drug and alcohol problems, poverty, crime, illiteracy, lack of sufficient funding for educational institutions, inadequate moneys for the arts, chronic unemployment, and other social ills within a community or society. Altruistic CSR is based on capability responsibility—the company has the resources to be able to do social good. In some peoples' thinking it is also founded on role-related responsibility—companies and their professionals are participants in the social contract and there is no causal responsibility. Altruistic CSR includes all philosophies, policies, procedures, and actions intended to enhance society's welfare and improve the quality of life, and it involves linking core corporate competencies to societal and community needs. Altruistic CSR, then, goes beyond ethics to somehow making the world a better place by helping to solve social problems. Unlike strategic CSR, where it is believed that the money put into good works will yield a return on investment for the business, with altruistic CSR this is not the motive (although the firm could conceivably benefit as a byproduct). For instance, if a firm adopts an inner-city school and pours resources into it, there is no guarantee that the business will immediately gain when tomorrow's workers are better educated, as they could work for other area organizations or even move away (Singer, 2000). Or, if a firm provides job training for the hardcore unemployed, there is no certainty that they will be productive employees or even end up working for that organization. Indeed, some firms can free ride off the efforts and expenditures of other companies. The most basic justification for Altruistic CSR is the social contract argument that "Business is a major social institution that should bear the same kinds of citizenship costs for society that an individual citizen bears" (Davis, 1983).

Another point made for Altruistic motivation of CSR is that, as the two most powerful institutions , business and government are obliged to address and rectify problems of social concern ("Power begets responsibility."). They say corporate philanthropy is a preferable substitute for government welfare, or at least is necessary in the face of deficient public welfare, which, indeed, is partially due to corporate opposition to higher taxes (Benkert, 1996). The public is apparently transferring its expectations for solving social problems from failed "Great Society" government programs to business (Carroll, 2001).

This motive following the argument of business's role in the society looks for explanation in the ethical theories of teleology, utilitarianism and deontology.

The proponents of this motive assume that business' role in society is more than making profits and providing products and services. Klonoski (1991), who gives an overview of the CSR debate, states that in this line of reasoning corporations can be seen as social institutions who are not only responsible to their shareholders, but also to society. Part of this view is the idea that companies seek legitimacy pressurized by societal institutions, such as governments and media (Weaver, Treviño & Cochran, 1999). Wartick and Cochran (1985) take it even further by stating that "business exists at the pleasure of society". This means that business has certain obligations towards society as part of a social contract. The details of this contract are subject to change and differ for every situation, but the basic notion is that businesses gain legitimacy through this social contract. Their actions are brought into conformity with the objectives of society through this social contract (Wartick & Cochran, 1985). Wood (1991) translates this understanding as business and society being interwoven and therefore, "society has certain expectations for appropriate business behavior and outcomes". All together the different views on the specific role of business in society can be summed up as business having a moral obligation towards society and society having certain expectations from business.

In short, what distinguishes Strategic CSR and Altruistic CSR is the motive of the managers adopting CSR. If the motive is gaining some kind of advantage for the company, it is strategic CSR and absence of any such motive would classify the CSR programme as altruistic CSR

Boatright (2000) States that the wisdom of strategic CSR is seen in the fact that some of the most successful corporations are also among the most socially responsible. Carroll (2001) argues that due to belt tightening and increased pressure on accountability for expenditures, the trend will likely be towards funding those good works expected to financially benefit the companies. Geoffrey P Lantos (2001) while making a case or strategic CSR argues that in view of the rising public expectations for corporate good works, returns to strategic CSR should rise.

A quick look at the following literature summary suggests that the trend is moving from altruistic CSR to strategic CSR.

Year	Author	Perspective
1953	Bowen	Altruistic
1970	Davis	Altruistic
1979	Carroll	Altruistic
1984	Freeman	Altruistic
1991	Woods	Altruistic
1995	Donaldson and Davis	Strategic and Altruistic
1995	Jones	Strategic
1995	Hart	Strategic
2001	Barron	Strategic
2001	Mc Williams	Strategic
2003	Bongoli and Watts	Strategic

Johan Graafland and Bert van de Ven (2006) tested the hypothesis that a positive strategic and moral view on CSR stimulates companies to undertake CSR efforts on a sample consisting of 111 Dutch companies. They argued that the view of the firm (Strategic or Moral) has implications on the stakeholder practices they adopt. They observed that strategic view has a stronger correlation with consumer related CSR policies and practices while moral view was found to have stronger correlation with other stakeholder related CSR

CSR in India :

The concept of CSR had always been part of Indian business tradition, though it had not been highlighted in terms of CSR, as understood or defined today. People being highly social, the tradition of CSR had existed even before the industrial revolution in India in 20th Century, and manifested itself in practice and core philosophical thoughts.

Puspha Sundar (2000) in a book Beyond Business: From Merchant Charity to Corporate Citizenship, presented a synoptic view of Indian business philanthropy in the context of the economic, social, political and cultural developments in the country from the beginning of modern industrial development in the second half of the nineteenth century. Sundar differentiates between charity, philanthropy, CSR and corporate citizenship, and claims to capture and present the shifts, from merchant charity to corporate citizenship in India, with CSR in between. Such shifts occurred over the nineteenth and twentieth centuries, as business responded to evolving societal needs and demands. He identified the following four phases of CSR development which parallel India's historical development and resulted in different CSR practices.

Philanthropy during early industrialization (1850 -1914)

The first phase of CSR is predominantly influenced by culture, religion, family tradition, and industrialization. CSR engagement was based mainly on corporate self-regulation. Charity and Philanthropy characterized this phase of CSR. A few families (Tata, Birla, Godrej, Sarabhai etc) in India which pioneered the industrially revolution in India were strongly devoted to philanthropically motivated CSR. Their CSR engagement was driven not only by altruistic motives but was also stimulated by religious motives. These early stages of industrialization witnessed newly rich business families setting up trusts and institutions such as schools, colleges, hospitals, orphanages, widows' homes, art galleries and museums.

The "golden age" of Indian capitalism and philanthropy (1914 -1960)

This Phase which Sunder termed as the "golden age" of Indian capitalism and philanthropy was strongly influenced Gandhi's call for social justice and the concept of trusteeship which he had given to the world. The concept of trusteeship argued that the wealthy should be trustees of their wealth, using only what was necessary for personal use and distributing the surplus among the needy. Like philanthropy in the early industrialization phase, this "golden age" was also characterized by the support for physical and social institutional infrastructure. However in this period, such ideas were led by a nationalistic fervour and a vision of a free, progressive and modern India (Sundar 2000) Birla, Jamnalal Bajaj, Lala Shri Ram and Ambalal Sarabhai, all believed to be influenced by Mahatma Gandhi and his theory of the "trusteeship" of wealth, contributed to Gandhi's reform programmes, such as those targeting the situation of untouchables, women's empowerment and rural development (Sood & Arora ,2006)

Business and community development under state-led development (1960-1980)

The Nehruvian paradigm of Mixed Economy, emergence of the PSUs and ample legislations on environmental and labour standards dominated CSR thinking of the period. This phase is also characterized by a shift from corporate self-regulation to strict legal and public regulation of business activities. Under the paradigm the role of the private sector in advancing India receded. The 1960s have been described as an "era of command and control", because strict legal regulations determined the activities of the private sector (Arora 2004). The introduction of a regime of high taxes and a quota and licence system imposed tight restrictions on the private sector and indirectly triggered corporate malpractices. As a result, corporate governance, labour and environmental issues rose on the political agenda and quickly became the subject of legislation. Furthermore, state authorities established PSUs with the intention of guaranteeing the appropriate distribution of wealth to the needy (Arora 2004). However, the assumption and anticipation that the public sector could tackle developmental challenges effectively materialized to only a limited extent. Consequently, what was expected of the private sector grew, and the need for its involvement in socio-economic development became indispensable.

CSR at the interface between philanthropic and business approaches (1980- present)

In the fourth phase (1980 until the present) Indian companies and stakeholders began abandoning traditional philanthropic engagement and, to some extent, integrated CSR into a coherent and sustainable business strategy, partly adopting the multi-stakeholder approach. Post 1991, the Indian government initiated reforms to liberalize and deregulate the Indian economy by tackling the shortcomings of the "mixed economy" and tried to integrate India into the global market. As a consequence controls and license systems were partly abolished, and the Indian economy experienced a pronounced boom, which has persisted until today (Arora and Puranik 2004). This rapid growth did not lead to a reduction in philanthropic donations; on the contrary, "the increased profitability also increased business willingness as well as ability to give, along with a surge in public and government expectations of businesses" (Arora, 2004). Jane Nelson, senior fellow and director for Harvard University's corporate responsibility initiative and former advisor to UN secretary general Kofi Annan while outlining the key trends in CSR predicted that India and China will decide the future of CSR. This new situation has also affected the Indian CSR agenda.. Research reveals a shift from a purely philanthropic approach (e.g. selective donations) to a more comprehensive CSR approach. This shift is apparent primarily in the perceptions of CSR, the professionalism of community development and the integration and organization of CSR within a company.

As reported by Chahod et al (2007) the research reveals a shift from a purely philanthropic approach (e.g. selective donations) to a more comprehensive CSR approach. This shift is apparent primarily in the perceptions of CSR, the professionalism of community development and the integration and organization of CSR within a company. Irrespective of these aspects, the empirical results lead to the conclusion that CSR still has a philanthropic connotation because of its emphasis on external stakeholders, particularly communities. A recent article in Economic times also outlined instances where Indian companies have used CSR strategically to achieve both economic and social goals.

Conclusion:

As is evident from the above review the Indian CSR approach has been shifting from the purely normative philanthropic CSR to stakeholder engagement and strategic use of CSR. Given the continuance of this phase of CSR in India the importance of the motives can not be further emphasized in the Indian context.

The literature suggests that world over there is an apparent shift in the motivations for CSR and companies have started integrating CSR into their business strategies using strategic CSR, nay it has also been argued that it not just imperative but also the only legitimate for of CSR (Lantos, Baron ,McWilliams , Siegel). Indian CSR also indicates towards the same trend.

Although studies have been done in western countries to find out motivations (Graafland,2006) and its implications on management of CSR stakeholders (Cochius, 2006), there is no such study done in India which would explore the linkage between motivations of companies and importance assigned by them to various stakeholders and which motivation of the firm leads to what stakeholder practices. Therefore there is a scope for a study which would reveal the motivations of Indian corporate houses and its implications on stakeholder management which would go a long way in helping the CSR theory building efforts and would also forward the cause of CSR to help corporate houses in India and the society at large.

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