



FRONTIERS OF CORPORATE SOCIAL RESPONSIBILITY-A CASE STUDY OF OMAX AUTOMOBILE COMPANY, BANGALORE, INDIA

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Abstract

Corporate sector places a vital role for success of its organization in all aspects of the business. Social responsibility is the obligation of the company to safeguard the health and safety of the citizens of the nation. The corporation should take proper measures to safeguard the society with reference to air, water, or surroundings of the factory/organizational environments. Various legislations are promulgated by the nation in their respective countries. A study has been undertaken in this connection with reference to Omax Automobile Pvt. Ltd., Bangalore, India. The corporate social responsibility of this company have been thoroughly examined in this research paper. The company followed all the directives of the government and become profitable entity in the Karnataka state, India.

INTRODUCTION

Corporate Social responsibility (CSR) means that a business does more for the wellbeing of others than required in an economical and legal sense.

Corporate social responsibility (CSR) refers to a business practice that involves participating in initiatives that benefit society. Liz Maw, CEO of nonprofit organization noted that CSR is becoming more mainstream as forward-thinking companies embed sustainability into the core of their business operations to create shared value for business and society.

"Sustainability is not just important for people and the planet, but also is vital for business success," said Maw, whose company connects students and professionals who want to use business skills to do social good. "Communities are grappling with problems that are global in scope and structurally multifaceted — Ebola, persistent poverty, climate change. The business case for engaging in corporate social responsibility is clear and unmistakable. Billions are at stake if fast and large-scale action is not taken." As consumers' awareness about global social issues continues to grow, so does the importance these customers place on CSR when choosing where to shop.

"Technology has brought global connectivity and enabled advocacy and awareness for social situations that were once obscure," said Alexis Magnan-Callaway, whose fashion company Pax Cult donates 10 percent of its profits to an organization of the customer's choice. "Millennial are redefining what it means to connect and give back through this technology. It is not just about having a recycling program or sustainable products. People want to feel good about what their dollar is doing."

Consumers are not the only ones who are drawn to businesses that give back. Susan Cooney, founder of crowd funding philanthropy platform Givelocity, said that a company's CSR strategy is a big factor in where today's top talent chooses to work.

"The next generation of employees is seeking out employers that are focused on the triple bottom line: people, planet and revenue," Cooney told Business News Daily. "Coming out of the recession, corporate revenue has been getting stronger. Companies are encouraged to put that increased profit into programs that give back."

TYPES OF CORPORATE SOCIAL RESPONSIBILITY

CSR can encompass a wide variety of tactics, from giving Non-profit organizations a portion of a company's proceeds, to giving away a product or service to a worthy recipient for every sale made.

Here are a few of the broad categories of social responsibility that businesses are practicing:

Environment

One primary focus of corporate social responsibility is the environment. Businesses, both large and small, have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society as a whole.



Philanthropy

Businesses also practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices

By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.

Examples of corporate social responsibility

While many companies now practice some form of social responsibility, some are making it a core of their operations. Ben and Jerry's, for instance, use only fair trade ingredients and have developed a dairy farm sustainability program in its home state of Vermont. Starbucks has created its guidelines, which are designed to ensure the company sources sustainably grown and processed coffee by evaluating the economic, social and environmental aspects of coffee production. Tom's Shoes, another notable example of a company with CSR at its core, donates one pair of shoes to a child in need for every pair a customer purchases.

Undertaking socially responsible initiatives is truly a win-win situation. Not only will our company appeal to socially conscious consumers and employees, but we also make a real difference in the world. Keep in mind that in CSR, transparency and honesty about what we are doing are paramount to earning the public's trust.

"If decisions about social responsibility are made behind closed doors, people will wonder if there are strings attached, and if the donations are really going where they say," Cooney said. "Engage your employees [and consumers] in giving back. Let them feel like they have a voice."

TYPES OF CSR

- **Environmental CSR:** focuses on eco-issues such as climate change
- **Community based CSR:** businesses work with other organizations to improve the quality of life of the people in the local community
- **HR based CSR:** projects that improve the wellbeing of the staff
- **Philanthropy:** businesses donate money to a good cause, usually through a charity partner.

ADVANTAGES OF CSR

In today's digital, fast speed world, each business, small or big, needs to have a CSR program in place. If CSR is not yet part of our daily business practice, we must act fast. Or else we will lose the trust of the people who are important to business. We are no longer in control.

1. Satisfied Employees

Employees want to feel proud of the organization they work for. An employee with a positive attitude towards the company is less likely to look for a job elsewhere. It is also likely that we will receive more job applications because people want to work for you.

More choice means a better workforce. Because of the high positive impact of CSR on employee wellbeing and motivation, the role of HR in managing CSR projects is significant.

2. Satisfied customers

Research shows that a strong record of CSR improves customers' attitude towards the company. If a customer likes the company, he or she will buy more products or services and will be less willing to change to another brand.

Relevant research

IBM study 'Attaining Sustainable Growth through Corporate Social Responsibility': The majority of business executives believe that CSR activities are giving their firms competitive advantage, primarily due to favorable responses from consumers. Better Business Journey, UK Small Business Consortium: "88% of consumers said they were more likely to buy from a company that supports and engages in activities to improve society."



3. Positive CSR

CSR provides the opportunity to share positive stories online and through traditional media. Companies no longer have to waste money on expensive advertising campaigns. Instead they generate free publicity and benefit from word of mouth marketing.

4. Costs reduction

- More efficient staff hire and retention
- Implementing energy savings programs
- Managing potential risks and liabilities more effectively
- Less investment in traditional advertising

5. More business opportunities

A CSR program requires an open, outside oriented approach. The business must be in a constant dialogue with customers, suppliers and other parties that affect the organization. Because of continuous interaction with other parties, our business will be the first to know about new business opportunities.

6. Long term future for business

CSR is not something for the short term. It is all about achieving long term results and business continuity. Large businesses refer to: “shaping a more sustainable society” (Vodafone 2010 report).

OBJECTIVES

1. To evaluate the concept of corporate social responsibility in business existed in corporate sector.
2. To examine the CSR in Omax Automobiles Pvt. Ltd. In Bangalore, India
3. To suggest the recommendations for effective implementation of CSR in this company in Bangalore
4. To give the scope for further research in this aspect.

METHODOLOGY

This research study has been conducted on the basis of both primary and secondary sources of data collected.

Profile of the organization

Omax Automobiles Pvt. Ltd., Corporate office situated in Gurgaon. The Branch of the company situated in Bangalore, Karnataka state in southern part of India. It has both management and non management cadre of employees is working. It includes both technical and ministerial cadres are looking after administrative aspects and top executive take care of the company aspects. It produces automobile spare parts to southern part of India and also to foreign countries like, Gulf and Asian countries.

RESULTS AND DISCUSSIONS

This company gave the best priority for CSR in organization in the following way:

- **Environmental CSR:** focuses on eco-issues such as climate change
- **Community based CSR:** businesses work with other organizations to improve the quality of life of the people in the local community
- **HR based CSR:** projects that improve the wellbeing of the staff
- **Philanthropy:** businesses donate money to a good cause, usually through a charity partner.
- It adapted some villages for conducting adult worker education and helping them from moneylenders.

Other activities

- Conducted Blood donation camps
- Eye checking camps
- Adopting orphan children for their lively hood and education for their future development
- Mid-day meals for poor children in the schools
- Conducting sports for employees of the organization half-yearly at other districts in the states.
- Conducting national games for the employees of the organization in different states.
- Conducted family trips to other states yearly basis.



- To maintain cordial relations among employees and workers and management different programmes are framed.
- To and increase the new customers and suppliers, to the company, it make sufficient budgets for corporate social responsibility programmes at district and state level and at national level.

CONCLUSIONS

By giving proper priority for society, employees and customers and citizens in the society, it getting huge profits and satisfied employees and satisfied society and customers for the organization due to expending huge amounts for CSR programs by the company.

It gets crores of profits for the long period in the company. Government should encourage the companies in which more interest is taking and they should encouraged relating to tax exemptions with reference to amount expended on CSR in the organization

Scope for Further Research

Environmental protection rounding the factory premises. Impact of CSR budget in the profits perspective. Secret of CSR in productivity and Loyal customers and society.

Future Policy Directions

Arranging uniform policies for all the branches in country relating to CSR. Giving more priority for controlling air, water and transport pollusions in the factory premises.

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