

Review

Corporate social responsibility in changing markets: New mechanisms and newer initiatives

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In the ever changing global marketing scenario, coping up with corporate social responsibility (CSR) practices and company's business practices is becoming the need of the hour but it is difficult to maintain the balance between these two. With the market ups and downs, corporate organizations have to be prepared for the consequences, and a balanced approach is required to support CSR and its integration into traditional business management systems with the changing markets. So it is very important for the companies to deal with potentially conflicting market situations, and the amount allocated to CSR projects changes with market changes. These are some of the issues top on the priority list of organizations. This study is an attempt to discover out new mechanisms and newer initiatives undertaken by the companies to manage their CSR practices in the recessionary period. In the end, new mechanisms and initiatives are supported with the case study of HMEL Bathinda refinery. Finally, it is the business firms that are going to be benefited by the implementation of all these social responsibility practices.

Key words: Corporate social responsibility, integration, traditional management system, mechanisms.

INTRODUCTION

With the introduction of globalization, the concept of corporate social responsibility (CSR) has been reinforced. The campaign of CSR has been actively supported by global agencies like the World Bank, Organisation for Economic Co-operation and Development (OECD) and the European commissions. Recently, corporate social responsibility has received considerable attention from both academics and practitioners (Smith, 1996; Jones, 1997; Griffin and Mahon, 1997; Waddock and Graves, 1997; Maignan and Ferrell, 2001; Maignan and Ralston, 2002, Graafland et al., 2003; Durant, 2006). There are mixed views regarding CSR and business performance. Some studies postulated a negative relationship (Vance, 1975) or no relationship (Aupperle et al., 1985) between the CSR and business performance, many recent studies provided the empirical evidence that there is a positive relationship between two (Abratt and Sacks, 1988; Russo and Fouts,

1997; Waddock and Graves, 1997). Modern corporations are putting considerable focus on the economy, politics and on society of a nation (Baxi, 2006).

CSR can be defined as a conducting business in an ethical way and in the interests of the wider community. In brief, the concept of CSR has evolved considerably since it first emerged in the 1950s (Carroll, 1999; Freeman, 1984; Carroll and Beiler, 1977; Sturdivant, 1977). There appears to be a disagreement about what CSR means, whether it should be implemented, how it should be implemented, or why it should be implemented. (Welford, 2004; Stigson, 2002) Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources (Kotler and Lee, 2005). A manager in one part of a company may perceive CSR as a source of competitive advantage, whereas another considers these initiatives as a public relations exercise. Several managerial perceptions and CSR approaches can be found within the same organization (Pedersen and Neergaard, 2009). The term CSR may depend on individual perceptions of responsibility/obligation that in turn addresses the broader topic of the

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role of the organization in society (Deresky 2000; Stigson 2002; Woodward et al., 2001; Maignan et al., 2002; Maignan and Ferrell, 2003; Epstein and Roy, 2001; Haugh, 2003; Crane and Matten, 2004). CSR encompasses many dimensions of business activity ranging from the social (community programs), to economic (employment) to the environmental (waste reduction).

The concept is understood by many other allied activities - corporate citizenship, corporate responsibility, corporate philanthropy, corporate giving, community relations, community affairs, community development, global citizenship, corporate community involvement and corporate social marketing (Kolter and Lee, 2005). Thus, corporate citizenship is defined as "a commitment of duties and responsibilities towards a company's stakeholders that is, customer, shareholder, employee, government, environment, health and safety" (Centre for Social Marketing, 2001).

Smith (1996) in an empirical study reported that 88% of consumers are more likely to buy from a company that is socially responsible, suggesting that CSR could be an effective marketing tool in the future. It is also reported that corporate social responsibility could have positive effects in helping companies to attract more talented and committed employees (Maignan et al., 1999).

Responding positively to emerging societal priorities and expectations, developing countries need to create alternatives for social sector development and one of the suggested route for doing so is to develop viable and strategic public-private partnership. One of the biggest challenges for the governments in the developing countries like India is to create and nurture a durable framework which will help in translating public policies into deliverables. India needs strong institutional framework for meeting the multiple objectives of economic growth and development into practices. Secondly, the implementation of the developed framework requires strong commitment and support from the top-management side also.

People tend to have a negative perception of 'big business' (Acutt, 2004; Clark, 2000; Crane and Matten, 2004; Deresky, 2000; Greenfield, 2004; Handy, 2003; Hoertz Badaracco, 1998; Kotler and Lee, 2005; Weiss 1998). One likely cause for the negative image associated with 'big business' is the repeated occurrence of certain high profile events and scandals viz Enron, Union Carbide and Satyam (Ruggie, 2003; O'Higgins 2005; Handy, 2003). The role among corporate stakeholders to work collectively is exerting pressure on corporations to change. Stakeholders wonder whether the CSR is really altruistic or just another marketing ploy to increase profits, albeit indirectly (Arendt and Brettel, 2010). Shareholders and investors themselves, though socially responsible are exerting pressure on corporations to behave responsibly. In short, business in general has come under increasing pressure from its stakeholders to act responsibly and to engage effectively

with stakeholders via various practices. Stakeholder theory by Freeman (1984) suggests that a justifiable managerial activity is investing time and other resources in addressing stakeholders' interests.

The literature on CSR practices reveals that while there is much talk of what companies should do, information on and analysis of what companies are actually doing in practice (and process) is lacking (www.duurzaam-ondernemen.nl 2006; BlumKusterer and Hussain, 2001). Now non-governmental organizations are also taking an increasing role, using the power of the media and the Internet to increase their attention towards social corporate behavior. Through education and dialogue, the development of community in holding businesses responsible for their actions is growing. In this paper an attempt has been made to explore whether the recessionary trend has eroded the enthusiasm of the business leaders for their CSR initiatives? Recession arrived like an avalanche and the corporate executives were not ready to meet this serious challenge. This has been the testing time for the grit and heroism of the corporate sector. According to Radcliffe (2009), "Global recession, embedded in the financial sector is creating an environment of cost-cutting and streamlining. For leading international saving and wealth management groups, the current economy has produced a particularly challenging environment in which to operate. It has also produced a challenge for sustainability." Hence the way organizations operate their CSR responsibilities during recessionary phase will be different. However, the importance of CSR during recession is even more than under normal business conditions. The need to augment sales and cash flow is felt acutely by business establishments during recession. The case for CSR attains truest dimensions in recession. To think of pruning the budget of CSR is harmful from the long term perspective of business. CSR, in addition to direct donations to non-governmental and philanthropic organizations is part of the marketing budget as well in the form of human resource (HR) and training programs, innovation and experimental expenses, research and other non-core activities. Thus the management decides to cut the money allocated for the CSR initiatives; it will not be a decision of foresight and imagination. Axing the budget may prove counter-productive. This has been supported with the help of refinery case study in the present paper. Some of the successful initiatives taken up by the refinery for the upliftment of society and people employed there will also be discussed.

Objectives

The broad objectives of the present research are:

- i. To study the aims of the organizations' in the changing markets.

- ii. To study the key drivers pushing business towards corporate social responsibility.
- iii. Validation of CSR practices with the help of case study.

LITERATURE REVIEW

The notion of companies looking beyond profits to their role in society is generally termed as CSR. It refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. CSR goes beyond the occasional community service action, as it is a corporate philosophy that drives strategic decision-making, partner selection, hiring practices and ultimately, brand development (South China Morning Post, 2002). The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979).

CSR is a powerful way of making sustainable competitive profits and achieving lasting value for the shareholders as well as for stakeholders. CSR and the reporting thereof is a win-win opportunity, not just for companies and for financial investors but for society also thus, organizations must build on their corporate values to create an organizational culture that is receptive to change and can sustain a corporate social responsibility strategy over the long run (Maon et al., 2009). "Corporate philanthropy provides a mechanism whereby businesses and organizations can contribute to and help the communities which have made them successful, and can also provide a powerful mechanism for fostering social change" (Kurtzman, 2004). The CSR concept has been around since the early 1970s, yet it only entered mainstream business about ten years (Deri, 2010). Strategically CSR can become a source of tremendous social progress, as the business applies its considerable resources, expertise and an insight to the activities that benefit society (Porter and Kramer, 2006).

Corporate social responsibility can often be confused with corporate charity, but it is a very different thing. Corporate charity can involve the donation of money and the provision of opportunities to members of the community and stakeholders. This is very different to the considerations that a company must abide by to ensure that their actions match with the acceptable corporate social responsibility guidelines that have been established. Pederson (2009) developed a model of how managers perceive the responsibilities of business towards society. Being a good citizen in the community, CSR is about the organization's obligations to all stakeholders and not just shareholders. CSR can be defined as a conducting business in an ethical way and in the interests of the wider community. Responding positively to the emerging societal priorities and expectations, the

notion of companies looking beyond profits to their role in society is generally termed as CSR. It refers to a company linking itself with ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. CSR can often be confused with corporate charity, but it is a very different thing. Corporate charity can involve the donation of money and the provision of opportunities to members of the community and stakeholders. CSR is a powerful way of making sustainable competitive profit and achieving lasting value for the shareholder as well as for stakeholders. CSR and the reporting thereof is a win-win opportunity, not just for companies and for financial investors but for society also.

There are five dimensions of corporate responsibility:

- i. Economic - responsibility to earn profit for owners
- ii. Legal - responsibility to comply with the law (society's codification of right and wrong)
- iii. Ethical - not acting just for profit but doing what is right, just and fair
- iv. Voluntary and philanthropic - promoting human welfare and goodwill
- v. Corporate citizenship - Being a good corporate citizen contributing to the community, society and the quality of life.

Not all business organizations behave in socially responsible manner and there are people who would argue that it is not the job of business organizations to be concerned about social issues and problems. Society has lots of problems, business can not solve all those and it is not possible also, but business entrepreneurs can definitely solve or work on some social issues for the well being of society. Reality shows that firms have recently been able to adapt to a changing world not only by developing economically, but also socially and ethically. Firms aims remain based on a development strategy that not only favors their share holders, but also responds to all stakeholders involved either directly or indirectly in the production process (Poddi and Vergalli, 2009).

New mechanisms

There are two schools of thought on this issue:

In the free market view, the job of business is to create wealth with the interests of the shareholders as the guiding principle that is, the guiding dimension is economical or profitable (Woods, 2009).

The corporate social responsibility view is that business organizations should be concerned with social issues as per the customer needs. Dimension here is serving the society or providing products to them.

With the changing market conditions, the opportunities and challenges the companies face and need to consider

for maintaining a competitive advantage are different from those practiced earlier. Key methods used by most of the organizations for maintaining good social image and remain competitive in the changing markets are as follows:

1. Organizations use full range of communication tools that help the organizations in making a good image in the eyes of shareholders stakeholders and the society. This will help organizations in enhancing their brand reputation.
2. Organizations may be proud of their achievements, but have to be careful about their promises.
3. Organizations have to be totally honest and as transparent as far as possible with not only their employees, but also with their customers.

Corporate social performance is a form of corporate self-regulation, integrated into a business model. CSR policy would function in the organization as a built-in strategy, self-regulating mechanism, whereby business would monitor and ensure its adherence to law, ethical standards and international norms. Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, business would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making and the honoring of a triple bottom line, also known as three Ps as follows:

People: It pertains to fair and beneficial business practices towards labor and the community and region in which a corporation conducts its business.

Planet: This refers to sustainable environmental practices designed to benefit the natural order as much as possible or, at least to bring no harm to it.

Profit: In this context, profitability needs to be seen as the economic benefit enjoyed by society as a whole (Roy, 2008).

With the market changes the consumers throughout the world are concerned more about global warming and this has produced a new green awareness among the consumers. As people are becoming conscious of the environmental concerns, green products have moved to the forefront of the hot-seller lists and more companies seek to ride the trend toward environmentally friendly products for increasing their sales and enjoy more profits. There are systematic differences in the economic impacts of different corporate responsibility issues and the content of corporate responsibility does have an effect on economic impact (Lankoski, 2009).

NEWER INITIATIVES OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

There is a change perceived in the thinking and the way the organizations are behaving with the changing markets. Recession is not something new. Recessionary trends are a part of the business cycles. Earlier the focus of most of the organizations was on economic perspectives only and profit maximization was considered to be the only objective of the organizations. So the sole consideration was on reducing costs so that profit margins could be enhanced. Now the organizations have to give more emphasis on relatively other factors as social image, environmental considerations and legal issues. The organizations market image is dependent on all these. Thus, CSR is becoming more and more important in these changing times when nothing is certain. However, CSR assumes a greater role in recessionary times, as this is a challenging time for the organizations and there is no unique mantra to get out of this recessionary phase.

Corporate social responsibility (CSR) in recession times

The current global economic condition is an issue and concern for businesses and societal organizations. Businesses and consumers have experienced an economic recession since December 2007 (Reddy, 2009) that is expected to last into 2010 (Welsh and Welsh, 2009), the longest since the Great Depression during the 1930s. As a result, unemployment decline income and/or increase personal debts (Colvin, 2008), consumers have reduced spending and changed their shopping behavior. Changing market pressures require that organizations' corporate responsibility practices must adapt and adjust according to the market conditions. "Unfortunately, recession is a challenging time for the CSR". Companies need to understand that having sustainable policies can save their money, rather than enhance the cost. Companies have to be very careful while implementing or changing existing CSR practices in the changing market times.

There are four levels of corporate social responsibility commitments:

1. Firstly, there are companies which view that CSR in terms of corporate philanthropy. These companies during recession find it relatively easy to prune their yearly donations.
2. Secondly, there are companies that have integrated support for a social cause into their marketing programs. They are less likely to let go, as their brand equities have become entwined with particular causes. For example, part of companies donation for fighting against AIDS or in ITC Re 1 from each notebook sold is set aside for the cause of underprivileged children. Citibank provides

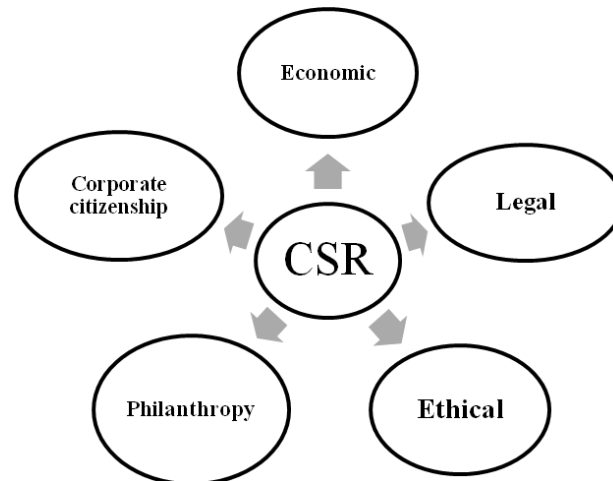


Figure1. Dimensions of CSR.

option to its account holders to contribute Rs. 100 every month for education of underprivileged children.

3. Thirdly, level there are organizations where CSR considerations are embedded in a company's daily operations. Qualifying suppliers, for example, might be required to comply with environmental and labor practice standards. Starbucks has long purchased more fair trade coffee than any other company in the world, while Wal-Mart has moved rapidly in recent years to catch up in its operational commitment to CSR.

4. Finally, there are companies that have internalized CR values into their corporate cultures, mission statements and daily decision-making. Johnson and Johnson put the interests of customers, employees and community ahead of those of shareholders. In the words of former CEO James Burke, doing so "ensures that the interests of all stakeholders are maximized."

Further along this CSR continuum, a company is less likely to cut down its CSR commitment in the face of an economic recession. In fact, some companies are finding that pursuing environmental CSR initiatives during this recession is helping them to cut costs and increase their CSR budget without changing prices. Cadbury, for example, has lowered its energy input costs and invested the savings in a commitment to buying only fair trade cocoa. Tata Steel has been conferred the CSR Excellence Award 2010 by the Assocham (Associated Chambers of Commerce and Industry of India) National CSR Committee and CSR Organizing Committee. The Tata group's revenues for 2009 to 2010 from its international operations were \$38.4 billion, which constitutes 57% of its total revenues. The award was given at the second International Meet on Corporate Social Responsibility hosted at New Delhi. Good companies with CSR will not cut their CSR budgets. Tata Steel CSR initiatives included the numerous vocational training,

education and health and sanitation programs initiated by the organizations along with its partners, viz. Tata Steel Rural Development Society, Tribal Culture Society, Tata Steel Family Initiatives Foundation and Urban Services. In fact, the government said the Central Public Sector Enterprises (CPSEs) can consider partnering with the private sector groups like the Tatas to execute their corporate social responsibility projects. Spurred by a firm belief in the need for corporate sustainability and inclusivity, Tata companies have set up initiatives that provide training in life skills and create employment opportunities for the youth in rural area in India.

As India entered into a recessionary period in 2008 and 2009, there is no doubt that businesses have tightened their belts in many ways including staffing, advertising and in investment projects. In this way the costs associated with CSR will be treated no differently than other overheads, expenses and investments.

Even though the economy has entered in the recessionary period, but its very much clear from (Figure 2) that the rate of CSR expenditure by ONGC company is growing continuously. The previously shown chart (Figure 3) depicts the percentage of total expenditure by ONGC company in the financial year of 2008 and 2009 on various sectors.

Figure 4 highlights the reduction in water consumption by SAIL. SAIL has steadily reduced its water consumption from 10.8 m³/tcs (1998 to 1999) to 3.95 m³/tcs (2008 to 2009). All SAIL plants have prepared comprehensive strategies for managing judicious use of water resources with a view to maintain both the quality and quantity of this vital resource.

Figure 5 shows the yearwise plantation done by SAIL Company. it is very clear from the graph that during 2008 to 2009, a total number of 2.9 lakh saplings has been planted as against 2.6 lakhs during 2007 to 2008. Table 1 shows the Karmayog CSR ratings from the list of 500

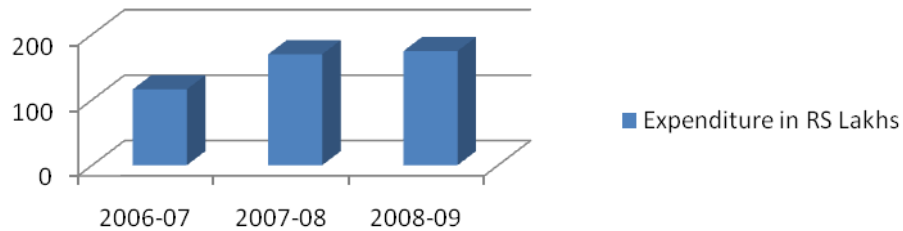


Figure 2. CSR expenditure in RS Lakha by ONGC.

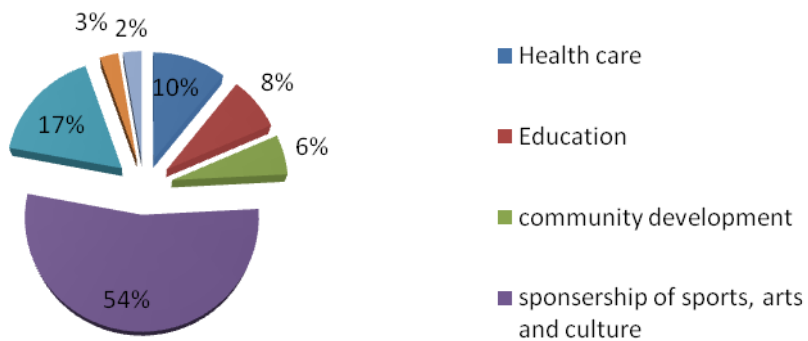


Figure 3. Percentage of total expenditure in 2008-2009.

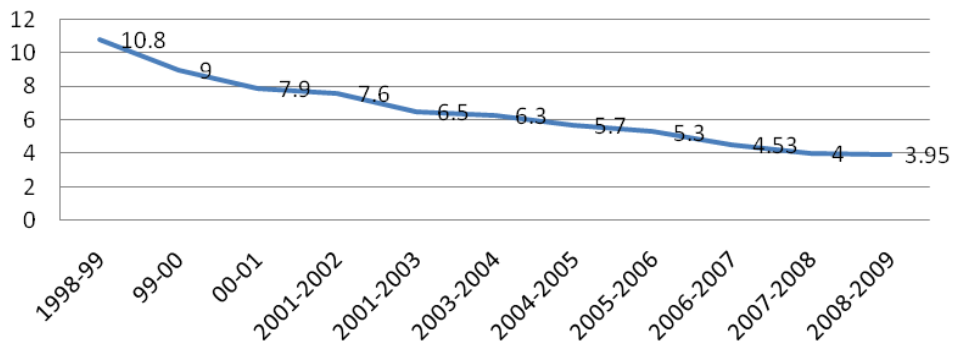


Figure 4. Improvement in specific water consumption.

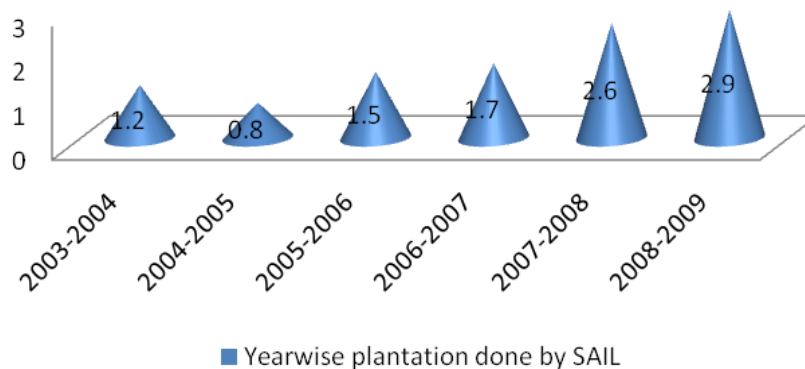


Figure 5. Yearwise plantation done by SAIL.

Table 1. CSR Ratings of companies and comparison.

Year Rating	2009		2008		2007	
	No. of cos.	%	No. of cos.	%	No. of cos.	%
Level 5 (Highest)	0	0	0	0	0	0
Level 4	13	3	10	2	4	1
Level 3	66	13	38	8	38	8
Level 2	146	29	161	32	144	29
Level 1	147	29	118	24	93	18
Level 0 (lowest)	128	26	173	35	221	44
Total	500	100	500	100	500	100

Source: www.karmayog.org/csrdetails/.

largest companies in India based on data from the Bombay Stock Exchange (www.bseindia.com) as on August 2009.

From the Table 1 it is very much clear that despite of recession times companies have complete focus upon their CSR practices. Major CSR practices are: environment, community welfare, employee welfare, energy, healthcare, education and rural development. Companies with a Level 4 rating are: Ballarpur Industries, HDFC, Infosys Technologies, Jubilant Organosys, Kansai Nerolac Paints, Larsen and Toubro, Moser Baer (India), Tata Chemicals, Tata Consultancy Services, Tata Steel, Titan Industries, Wipro and Yes Bank. The 2009 results are encouraging with more companies at Levels 3 and 4, along with a marked increase in the number of corporates doing at least some CSR (74%) despite this period (financial year 2008 to 2009) being a recessionary year, which may have also caused a drop in the ratings of 45 companies.

The above evidence support that good organizations undertake a lot of CSR activities. Moreover, the results also show that these organizations have not reduced their CSR activities during the recessionary period. With the market changes customers' perceptions are also changing towards the organizations. So, organizations need to focus on their CSR initiatives to remain ahead in the changing markets.

Table 2 shows the sector wise comparison of CSR policies of twenty companies. It is very clear that companies are focusing more on environment and health care sector as compared to education sector in the current scenario. Still lots of work can be done in this area. It is very clear from Figure 6 why CSR matters so much for the shareholders. A good CSR image or practices helps the organizations in building good brand reputation, helps in motivating employees, in making better market position, and also helps in minimizing risk. These are the factors that enforce organizations for implementing CSR practices in the changing markets also. So in the recession times or during market changes, companies may be able to enjoy the success with the help of good social image and this can only be possible

by implementing CSR programs in the changing market period also. Moreover, due to heightened public awareness of issues like global warming, CSR concerns are now more deeply and broadly embedded in the consumer psyche. CSR is increasingly becoming a consumer concern, rather than being the province of a wealthy niche.

Key aims of the organization in changing markets

For successful implementation of CSR program in the changing markets, the aim of organization is to communicating CSR initiatives to:

- i. Employees: this will help in building awareness among them, providing them proper knowledge, motivating them and maintaining their pride.
 - ii. Customers: customers should be informed about current and future initiatives about organization's future plans.
 - iii. Investors: they must know about the tangible and intangible value creation capability and risk management system of the organization in the changing market times.
- Legislators and the public: those officials who deal with organizations' governance and ethical practices.

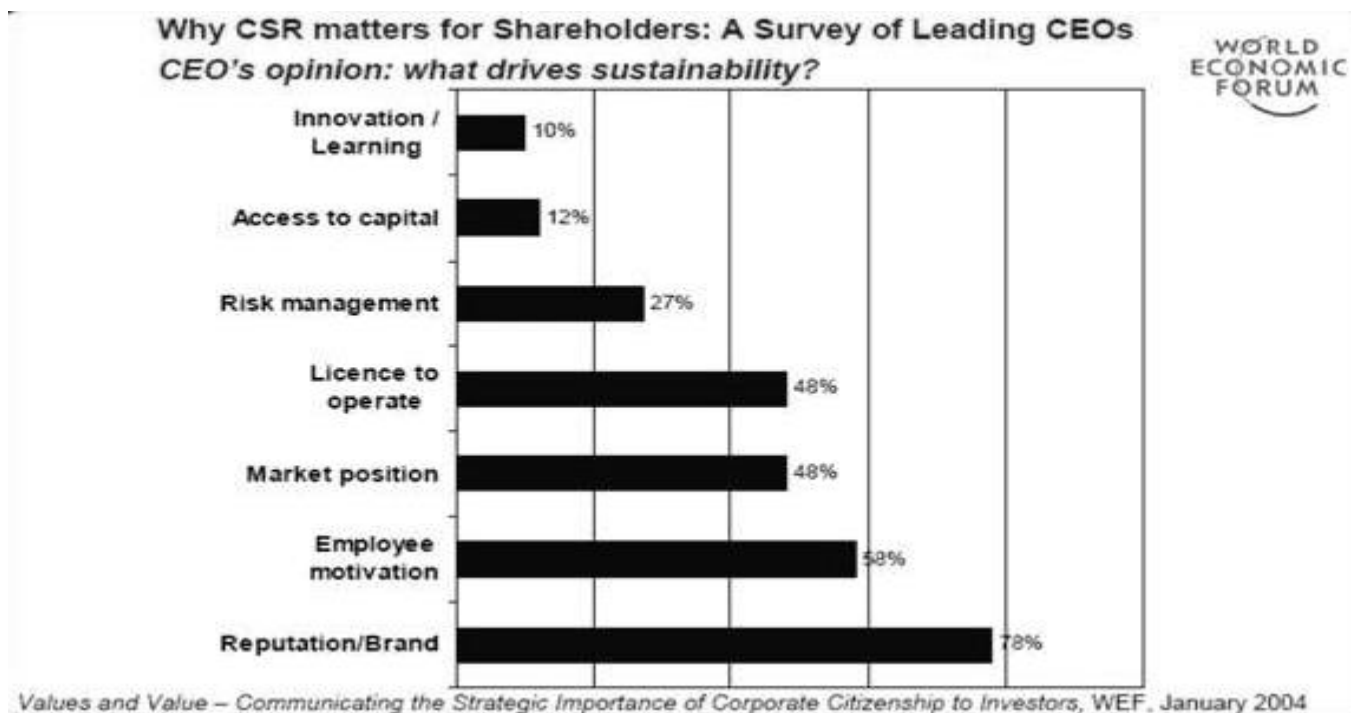
Despite the economic downfall or market changes, organizations are implementing CSR practices and are also ready to take new CSR initiatives. Some of the drivers pushing businesses towards CSR include:

The shrinking role of government

In the past, governments have relied on legislation and regulation to deliver more and more social and environmental objectives in the business sector. With the passage of time shrinking government resources, coupled with a distrust of regulations has led to the exploration of voluntary and non-regulatory initiatives.

Table 2. Sector wise comparison of CSR policies of different companies.

S/No.	Company name	Education	Environment	Healthcare
1	Appolo Tyres		✓	
2	Appolo Hospitals Enterprise Ltd.			✓
3	Bajaj Auto Ltd.	✓		
4	Bharti Airtel Ltd.	✓	✓	
5	Crompton Greaves Ltd.			✓
6	EMCO Ltd.	✓	✓	✓
7	Fortis Health Care		✓	✓
8	Idea Cellular Ltd.	✓	✓	
9	Kingfisher Airlines Ltd.			✓
10	Max India Ltd.		✓	✓
11	NTPC Ltd.		✓	
12	Reliance Communication Ltd.	✓		✓
13	Shipping Corporation of India Ltd.	✓	✓	
14	Shopper's Stop Ltd.			✓
15	Sintex Industries Ltd.		✓	
16	Sterlite Technologies Ltd.	✓	✓	✓
17	Supreme Industries Ltd.			✓
18	Tata Communication Ltd.	✓	✓	
19	Temptation Foods Ltd.		✓	
20	The Great Eastern Shipping Company Ltd.	✓		✓

**Figure 6.** Importance of CSR to shareholders.**Demands for greater disclosure**

Demand for corporate disclosure from stakeholders,

including customers, suppliers, employees, communities, investors and activist organizations is also growing with the changing markets.

Increased customer interest

There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. With the introduction of the concept of ethical consumerism, more than one in five consumers report having either rewarded or punished companies based on their perceived social performance.

Growing investor pressure

Investors are also changing the way they assess companies' performance and are making decisions based on the criteria that include more ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility. A separate survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks.

Competitive labour markets

Employees are looking beyond the paychecks and benefits and seeking out for the employers whose philosophies and operating practices match with their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions and their market image.

Supplier relations

Stakeholders are also becoming increasingly interested in business affairs, many companies are taking steps to ensure them that their partners conduct business themselves in a socially responsible manner. Some businesses are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their brand reputation. Some of the positive outcomes that can arise when businesses adopt a policy of social responsibility are shown in Table 3:

The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. Nevertheless, many companies continue to overlook CSR in the supply chain, but now as markets are changing, the companies are opting for CSR practices and benefiting their businesses the society, the community and the environment also. This can be proved with the help of refinery case study.

About Hindustan Petroleum Corporation Limited (HPCL)-Mittal Energy Limited (HMEL)

HPCL-Mittal Energy Limited (HMEL) is a joint venture between Hindustan Petroleum Corporation Limited (HPCL) and Mittal Energy Investment Pte Ltd, Singapore - a Lakshmi N Mittal Group Company. Both the JV partners hold a stake of 49% each in the company, the rest 2% is held by financial institutions. HMEL is building a Grassroot oil refinery of 9 MMTPA at Bathinda in Punjab, called Guru Gobind Singh Refinery Project. The refinery will produce petroleum products complying with Euro IV emission norms with Captive Power Plant for 165 MW and Crude Oil pipeline from Mundra (Gujarat) to Bathinda with Single Point Mooring (SPM) and Crude Oil terminal at Mundra (<http://www.hmel.in/>).

The objectives of the refinery project are:

- i. Safety first
- ii. Achieve targets and meet deadlines
- iii. High ethical standards
- iv. Respect for people
- v. Continuous improvement and learning
- vi. Teamwork

HMEL will produce the following petroleum and petrochemical products:

- i. Liquid products: Motor Spirit, High Speed Diesel, Superior Kerosene Oil, Aviation Turbine Fuel, Liquefied Petroleum Gas, Naphtha, Hexane, Mineral Turpentine Oil.
- ii. Solid products: Pet Coke, Sulphur and Polypropylene.

Corporate social responsibility

Corporate social responsibility forms an integral part of HMEL. Aim of the company is to produce good quality products and to be a good corporate citizen. HMEL has undertaken several large and small projects aimed at the development of community in and around project sites. Basic motive is to be an active and involved part of the community.

Table 4 shows the detailed analysis of corporate social responsibility practices followed by the HMEL refinery for the social upliftment of the society. From Table 4, it is very much clear that organization is trying hard to fulfill the all committed promises. HMEL is an example as a business with a strong focus on the environment, sustainable development, safe work place and enrichment of the quality of life of employees, customers and the community. HMEL is establishing systems, policies and procedures for continual improvement to achieve higher standards of safety, education, health and environment protection.

Table 3. Positive outcomes that can arise when businesses adopt a policy of social responsibility.

Company benefits	Benefits to the community	Environmental benefits
Product safety and decreased liability	Product safety and quality	Greater material recyclability
Improved financial performance	Corporate involvement in community education and employment	Better product durability and functionality
Greater productivity and quality	Employee volunteer programmes	Greater use of renewable resources
Enhanced brand image and reputation	Charitable contributions	Integration of environmental management tools into business plans
Increased sales and customer loyalty	Happy society	Healthy pollution free environment

Table 4. Refinery social responsibility practices.

S/No.	Sector focused for CSR practices	Contribution
1	Education	'Pratham', a leading NGO in the field of primary education to provide elementary education to the children of laborer deployed in construction of Refinery Three evening schools, managed by Red Cross Society
2	Skill building and Employment	Construction Skills Training Centre at village Phulokhari Training in technical skills required for refinery construction like masonry, bar bender and shuttering carpentry Generate employment opportunities for youths, on successful completion of the training the trainees are being deployed for various civil jobs
	Health, community and environment	Raising standards of health and overall well-being and work towards continually conserving and strengthening of environment
3	Health	Eye camps being organized for laborer's families Weekly OPDs and routine checkup of laborers at Refinery and their family members Awareness camp on HIV aids
	Hygiene	Regular fumigation for pest control Cleaning of drinking water
	Environment	Trees planted on raw water channel land strip Widening and strengthening of roads in the vicinity of refinery Regeneration of vegetation and stabilization of disturbed sand dunes
4	Green Belt Development	Company awarded the job for plantation of approximately 1,65,000 saplings in the 122 hectare refinery plot area to forest department

CONCLUSIONS

The present research has been undertaken with the broad objective to study the aims of the organizations in the changing markets and to study the key drivers pushing business towards corporate social responsibility. So far, very little is known about how market changes affect social responsibility practices of the organizations. The present research helps in understanding the different aims of the organizations during the changing markets. In the end, it can be summarized that after recovering from the recessionary period, companies are (finally) starting to understand that having a credible and productive corporate responsibility function is not only important, rather it is becoming a license to operate in the daily changing market scenario. It is also very important to know about the new paradigms and perspectives of the firms during recessionary times. Finally, it is the business that is going to be benefited by all these practices.

The results of the present study highlight that even in the recession times or during market changes, companies are able to enjoy the success with the help of good social image, by implementing CSR programs with the same vigour in the changing market period also. CSR matters a lot to the shareholders. A good CSR image helps the organizations in building good brand reputation, helps in motivating employees, in making better market position and also helps in minimizing risk. Thus despite the economic downfall or market changes, organizations are implementing CSR practices and are also ready to take new CSR initiatives. Some of the drivers identified in pushing businesses towards CSR include: The shrinking role of government; demands for greater disclosure; increased customer interest; growing investor pressure; competitive labour markets; and Supplier relations.

FUTURE SCOPE

The present study can be extended to study the CSR practices of some organizations before, during and after recession by collecting data from these organizations to get deeper insight into the way companies behave in changing times. A firm which is able to take care of its CSR practices during recessionary times is the ultimate winner. Primary data can help us in understanding the CSR practices of these organizations and can guide the new and other organizations not performing well to follow their examples. The results can highlight the Success factors of CSR.

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