

Investigate the problems and study the Perception of NGO's towards CSR

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ABSTRACT

The role of CSR in building brand identity and brand reputation has become increasingly important amidst signs that consumers are becoming more cynical about corporate promises in the areas of environmental awareness, ethical practices in areas ranging from legal and regulatory compliance, human resource management and social accountability. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: People, Planet, and Profit.

The NGO community is a diverse family. They are often defined as those organizations which pursue some sort of public interest or public good, rather than individual or commercial interests. NGOs establish the mechanisms by which governments and the market can be held accountable by the public. Some remain at a distance, by monitoring, publicizing, and criticizing in cases where companies fail to take seriously their impacts upon the wider community while others act as a facilitator of citizens' participation in their societies.

The present study is conducted to understand the awareness and the perception of NGOs towards CSR activities carried out by them. Sample of 32 NGOs was taken from Indore and interview technique is followed to collect the data. These NGO's are operating in different sectors like: health and awareness, employability enhancement, education and social upliftment, women and child development as well as environment sustainability. After collection, the data is analyzed by using descriptive statistics and Content analysis which is a qualitative tool.

Keywords: CSR, NGO's, Content analysis, environment sustainability.

INTRODUCTION

Corporate Social Responsibility is the voluntary role and contribution on the part of the business community towards a better social and environmental development, which is

beyond their investment to organizational development. The business organizations can be lead by large multinationals and for small, locally based businesses. While the actions on the part of business organizations here to be ethically bound to its stakeholders, who include customers, owners/investors, government, suppliers and competitors.

According to the results of a global survey in 2002 by Ernst & Young, 94 per cent of companies believe the development of a Corporate Social Responsibility (CSR) strategy can deliver real business benefits, however only 11 per cent have made significant progress in implementing the strategy in their organization. Senior executives from 147 companies in a range of industry sectors across Europe, North America and Australasia were interviewed for the survey.

Ideally, CSR policy function as a built in, 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.



Figure 1. Total Corporate Social Responsibility

The above model is used for evaluating an organization’s social performance. The model indicates that total corporate social responsibility can be subdivided into four criteria-economic, legal, ethical and discretionary responsibilities. These responsibilities are ordered from bottom to top.

OBJECTIVES

1. To study the demographics of NGOs operating in Indore.
2. To analyze the operations and activities these NGOs carry out in Indore.

3. To understand NGO's awareness and perception towards CSR.
4. To investigate the bottlenecks they face in realizing their objectives.

REVIEW OF LITERATURE

The researchers have found following literature on related topics:

- Crowther and Aras in their book on "**Defining corporate social responsibility**" explains corporate social responsibility as the relationship between global corporations, governments and individual citizens and various paradigms in it. Structure of charity and nature of NGOs as a sector are also explained.
- Paul Mably in an IDRC Working Papers on Globalization, Growth and Poverty Working Paper Number 4, titled '**Evidence Based Advocacy: NGO Research Capacities and Policy Influence in the Field of International Trade**', describes the capacities and characteristics of NGO research and influencing work in the specific area of trade policy, based on a prior study employing web searches and interviews with international NGOs. It discusses lessons learned on the factors that enhance the uptake of research by policymakers, and looks at kinds of research-supported policy influence NGOs have exerted.
- White Jennifer and Darville Sarah in a research paper, "**Where to Help: An Analysis of NGO Response to Humanitarian Crises**", discussed that NGO decision-making is not only influenced by functionalist, needs-based ideals, but also by realist considerations, and that their claims of independence and neutrality have become jeopardized.
- Smith Stephanie in a conference paper, '**Preservation Strategies: NGO Autonomy in Ecuador**,' takes a bottom-up approach to understand why and how Southern Ecuadorian NGOs manage conditions of resource dependence on Northern Ecuadorian donors. It suggests organizational survival and autonomy are important considerations for resource dependent NGOs and attempted to devise new strategies for managing resource dependence.
- Jonathan P. Doh and Terrence R. Guay in a research paper, '**Corporate Social Responsibility, Public Policy, and NGO Activism in Europe and the United States: An Institutional-Stakeholder Perspective**,' extended neo institutional and stakeholder theory to show how differences in the institutional environments of Europe and the United States affect expectations about corporate responsibilities to society. They analyzed how different institutional structures and political legacies in these two important world regions impact governments, NGOs and the broader systems in determining and implementing preferences regarding CSR.

RESEARCH METHODOLOGY

The research design used in the present study is of descriptive type. The sampling frame consists of NGOs existing and operating in the geographical area of Indore. The sampling technique used in the present study includes non probability sampling. The sample size included 31 local NGOs operational in the city of Indore. These NGO's are operating in

different sectors like: health and awareness, employability enhancement, education and social upliftment, women and child development as well as environment sustainability. The respondents being office bearers of these NGOs and their beneficiaries.

Data Collection tool

The study is carried out on primary data .Primary data is one which is collected first time and is original in nature. This can be done through ways of observations, personal interview, and telephonic interview and survey questionnaires.

In this research study, the data was collected through personal interviews which had open ended questions. A questionnaire was formulated which had incorporated various questions that can help in achieving the objectives of the study. These questions were then asked from the NGO's with the help of interview method.

Data Analysis

After collection of primary data, it is analyzed by using content analysis and descriptive statistics. The findings of the study are presented in the form of tables and discussion.

Content analysis is one of today's most extensively employed analytical tools. It is a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns. Qualitative content analysis allows researchers to understand social reality in a subjective but scientific manner.

Findings and interpretation

The details of the data analysis are as under:

NGOs Studied

Sectors of operation: The sample was studied on the sectors where they operate in. The table below explains the various sectors and Number of NGOs operating under these domains.

Sectors	Operands
Health and Awareness	9
Employability Enhancement	10
Education and social upliftment	10
Women and Child Development	8
Environment Sustainability	3

Interpretation:

Maximum NGOs are operating in the domains of education and awareness as well as well as employability enhancement programs as it may be inferred that development in these sectors will further leads to diminishing of others problems in the society. The facts that maximum population in India comprises of the youth, the NGOs have understood the requirement and have entered into this segment.

Duration of operation

Operating Since	No of NGOs
Up to 1 Year	5
1 to 3 Years	9
3 to 5 years	11
More than 5 Years	6

Interpretation

It is been inferred that maximum NGOs (11) have a considerable existence in Indore for in between 3 to 5 years followed by 9 NGOs operating in the slab of 2 to 5 years. This might be due to the fact that these NGO's are able to achieve their respective objectives and hence they are continuing with their services.

CSR awareness among NGOs

Unaware	10
Somewhat aware	9
Aware	12

Interpretation

The awareness of CSR in NGOs of Indore is relatively low, where in only 12 NGOs are fully aware about what corporate social responsibility is all about and how it could be utilized for benefits of the society.

Financial funding to the NGOs

Financial Funding	NGO's
Self	4
Donations	17
CSR	5
Any Other	5

Interpretation

5 out of 31 Sample size are genuinely working for a CSR policy. This indicates lack of CSR implementation and awareness in the NGOs of Indore. As a result it induces immense scope and opportunity for the NGOs to work in this field in the commercial capital of Madhya Pradesh. Many organizations though are aware but still unable to come in Tie ups and associations with a commercial organization. This probably can be sorted with the means of capacity building, training the human resources working in the NGOs. Also it means provisions and compliance of law of the land and fulfilling the norms of the corporate organization.

Content Analysis

On the basis of commonality in sector of operation the sample of 31 NGOs were further factorized into five precise categories of operation in Indore area. These categories are listed below with the NGOs operating in them.

<p>Health and awareness: Aas society, Indore. Baba sarkar group, Indore. Devi ahilya village development association, Indore. Hamrahi, Indore. Hope & faith foundation, Indore. Lepra spundana, Indore Mahila utkarsh sansthan, Indore Sagjeevan ashadeep foundation, Indore Society for people awareness care & education. Indore.</p>	<p>Employability Enhancement: Abhinav Society, Indore Abhyas mandal, Indore Vishwavijeta Swami Vivekananda Samiti, Indore. Gramin yuva mandal, Indore. Indian institute of social development, Indore. Institute of job training in actual environment, Indore. Network for information and computer technology, Indore. New sankalp gram vikas samiti, Indore. Devi ahilya village development association, Indore. Samarpan India, Indore.</p>
<p>Women and Child Development: Shri academy samajik seva shikshan samiti, Indore Bahai vocational institute for rural women, Indore. Hope & faith foundation, Indore. Mahila utkarsh sansthan, Indore National center for missing children, Indore New sankalp gram vikas samiti, Indore. Sagjeevan ashadeep foundation, Indore Unnati mahila sangh, Indore</p>	<p>Education and social upliftment: Vishwavijeta Swami Vivekananda Samiti, Indore. Brahmastra, Indore Concept society, Indore Devi ahilya village development association, Indore Indian institute of social development, Indore Islamic cultural and charitable foundation, Indore. Network for information and computer technology, Indore Sahyog – consumer protection education and social welfare. Indore. Society for people awareness care & education. Indore. All professional and education welfare society, Indore</p>
<p>Environment Sustainability: Anand society, Indore. Samarpan India, Indore. Abhinav Society, Indore</p>	

The NGOs operating under these categories perform following activities:

Health and Awareness:

- AIDS awareness camps

- Free condoms distribution
- Distribution of chlorine drops
- Educating for hygiene and sanitation
- Clean drinking water
- Educating girls of puberty age for their special needs
- Safe driving habits etc.
- Free medical check-up camps
- Mobile dispensary on vans
- Educating for cheaper protein substitute to combat malnutrition
- Vaccination drives
- Promoting gaps in children
- Smaller families
- Free-of-cost folic acid and calcium tablets
- Sanitary napkins distribution
- Counseling for healthy diet
- Regular checkups during pregnancy
- Camps on family planning, encouraging marriage of girls after 18 years.

Employability Enhancement:

- Capacity building for unemployed
- Semi employed people through training in small trades
- Tie ups with corporate houses and public and SSIs
- Provision of easy and low cost training
- Innovative low cost agricultural practices
- Development of self dependent small scale entrepreneurial initiatives
- Provision of angel funding
- Awareness for government schemes enhancing employability.

Education and Social upliftment:

- Educating slum children, counseling their parents
- Arranging meals at small private schools to encourage higher attendance
- Ensuring implementation of Government schemes for children of weaker sections

- Distribution of books, uniforms, bicycles to children
- Adult education drives
- Provision of government schemes like fixed quota to weaker sections of the society.

Women and Child development:

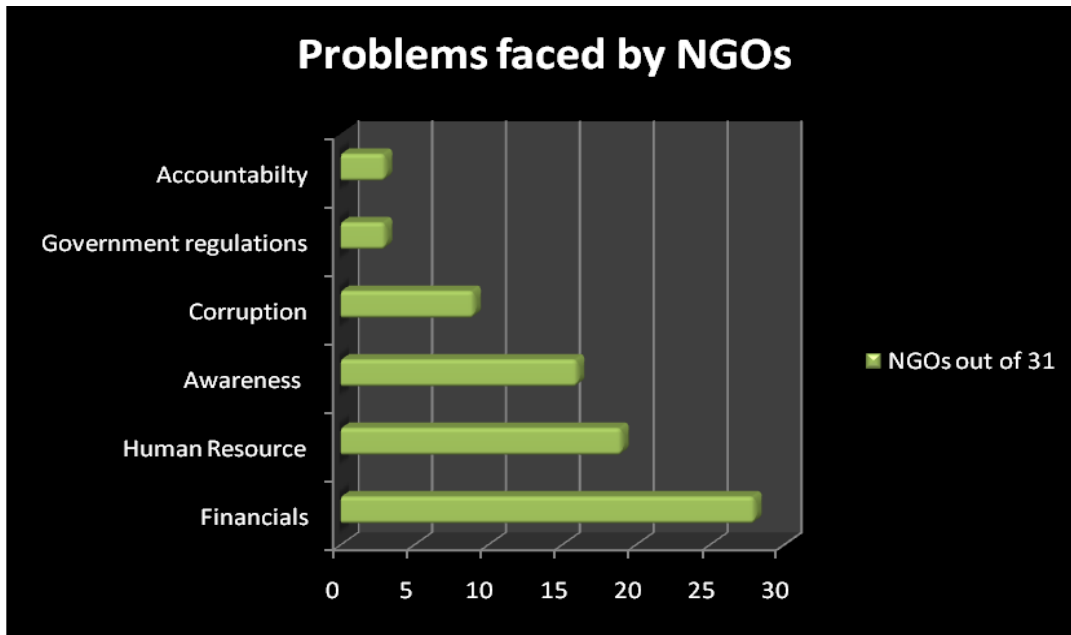
- Working for women in distress, widows
- Anti dowry campaign
- Managing orphanages, old age homes
- Increasing employment opportunity for women
- Assisting women of slums and weaker communities
- Working against child labor
- Improving lives of sex workers
- Gender equality.

Environment Sustainability:

- Trekking camps of school children
- Seminars and workshops on waste recycling, water recharging
- Plantation drives
- Awareness for cleaning of small canals and local rivers
- Pollution checkup camps
- Constructing Water sheds.
- Awareness for organic manuring, healthy agricultural practice
- Awareness against hefty and harmful usages of pesticides and fertilizers.

Problems faced by the NGOs:

Problems Faced	NGOs out of 31
Financials	28
Human Resource	19
Awareness	16
Corruption	9
Government regulations	3
Accountability	3



Interpretation: It can be inferred that maximum no of NGOs face the problem of financials which could be readily dealt with receiver of corporate funds and implementation of company's CSR, which in turn needs competence building and fulfilling the requirements of the firm.

CONCLUSION

From the findings of the study, it may be concluded that though most of the NGOs have their time of existence in the interval of 3 to 5 years still the awareness about the CSR is relatively low. NGOs in Indore can access many companies and utilize the assistance that can be provided by CSR policies of various companies.

Many projects are long term in nature but sources of funds are often short term in nature. So there is a long term horizon for expenditure but a short term horizon for income, this is problematic and a source of difficulty in planning for many of these organizations.

Many of this NGO organization engage in fund raising, This itself causes complications for the accounting of such organizations and can affect its operational procedures. Money can be given to one of these organizations either for its general activities or for a specific purpose. For example the larger charities frequently have appeals for a specific disaster relief operation. When money is given for a specific purpose then it can only be used for that purpose. Thus these organizations tend to have a number of funds for specific purposes.

This can be problematic when the need for such money has been completed and there is a surplus – it is difficult to use this for another purpose. A further difficulty is caused by the fact that some funding is needed for general administration. People are willing to give for a specific cause but not for general administration. Thus the accounting for these organizations is geared towards making as much expenditure as possible direct expenditure rather than indirect.

It is often thought that if an organization exists for a public or charitable purpose then it must be a socially responsible organization. CSR is about how an organization conducts its operations and deals with its stakeholders. For NGOs we can see that there is a different focus and we need to consider this in terms of CSR implications.

There are different stakeholders for a not for profit organization and the different stakeholder group have different amounts of power to a profit seeking organization. It is inevitable therefore that dealing with these stakeholders will be a much more important function for a NGO. Moreover the sources of conflict might be different and the actions taken in resolution of this might also be different.

In terms of doing more with fewer resources, then this is always an objective for this kind of organization. In terms of affecting the choices available to future generations then an NGO actually seeks to do this and to redistribute resources more equitably. In terms of seeking a continual existence then really an NGO should strive to make its purpose of existence no longer relevant and should not seek sustainability. Thus sustainability is an equally important issue for these organizations but its implications are very different in terms of both motivation and decision making.

Accountability is an even more important issue for this kind of organization and who it is accountable to can be very different. Without either shareholders or customers then accountability is to donors, beneficiaries and a wide range of their stakeholders. Moreover it needs to address this accountability – which can be different for different stakeholders – in order to be able to continue with its operations.

With this diverse set of stakeholders grouping who all have considerable interest in the organization and its activity then there is obviously a great need for transparency and all such organizations will strive for this. This is particularly exacerbated by the need to keep fund for specified restricted purposes. On the other hand it is in the interest of the NGO to seek to use its accounting system and procedures to classify indirect costs as direct and thereby to minimize the apparent administrative costs incurred. This is contrary to the principle of disclosure but completely understandable.

Increasing disclosure is a feature of corporate reporting as they seek to satisfy stakeholders through increased accountability and transparency. Disclosure has of course always been a feature of NGO activity as such disclosure is necessary to seek additional funds as well as to satisfy the diverse but powerful and vociferous stakeholder groupings. In this respect there it might be considered that profit seeking organizations are becoming more like not for profit organizations.

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