

## **Inter-Organizational Collaboration for CSR: An Exploratory Study**

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*Collaborations between business and non-profit organizations have proliferated in the current decade as a means to effectively implement CSR. This exploratory study was done to understand the extent to which Indian companies collaborate to effectively implement CSR. The study was performed on a sample of 52 companies that are signatories of the United Nations Global Compact. The study found that most of the companies prefer to collaborate with NGO at the local or regional level and at the transactional level. It was also found that majority of the companies had processes to measure the impact of the CSR activities undertaken.*

### **1. Introduction**

CSR includes corporate responsibility to consumers, employees, shareholders, environment as well as the community (Besser, 1999). Traditionally, CSR was constricted to philanthropic activities. However, with the growth of industry the concept has gradually expanded to embrace the concepts of well-being of people and care for the planet. In the recent decade, the focus of CSR has shifted to the concept of ‘creating shared value’ (Porter and Kramer, 2002) in which the initiatives generate a win-win situation for the company and its stakeholders and has grown into a multidimensional approach that encompasses corporate sustainability. Today companies publish more than 5,000 sustainability and corporate responsibility reports a year worldwide (CorporateRegister.com). The Rio de Janeiro Conference on Environment and Development (1992) and World Summit on Sustainable development, Johannesburg (2002) were two major events which witnessed the crowning of CSR as an imperative need of the hour. The primary difference between 1992 and 2002 was the enthusiastic participation of the corporate world in the year 2002. This was the period when the corporate world embraced CSR.

In India CSR which started as philanthropy saw sea change during 19<sup>th</sup> century due to the innovative practices of companies like Godrej, Bajaj, Tata and Birla. This was followed by the independence movement which brought trusteeship into play. The concept of mixed economy wherein the Public Sector Undertakings (PSUs) emerged during post-independence and these sectors was seen as a primary power of development. Gradually this has transformed into an integrated sustainable business strategy (Chauhana and Tiwaib, 2014). The Government of India in 2010 made it compulsory for state-owned enterprises to spend 2-5% of the net profit on CSR. In 2013, the Companies Act was amended and under Section 135, it was made mandatory for companies to involve in CSR. The Act also provides guidelines on the CSR activities that the companies can undertake. A provision in the Act allows companies to integrate with not-for-profit organizations in implementing CSR activities. Companies are also allowed to collaborate with each other for undertaking CSR activities. The Companies Act has become a game changer and it has opened a new opportunity for all stakeholders to evolve innovative ways to synergize efforts and contribute towards equitable social and economic development.

Social partnerships are increasingly being viewed as a strategic choice to achieve community development. The direct impact such partnerships/relationships achieve determine the kind of institutions businesses partner with. Austin, 2000 describes such partnerships as a “strategic collaboration among businesses and not-for-profit organization in which risks resources and skills are shared in projects that benefit each partner as well as the community.” The collaborations existing between organizations are observed and studied by different researchers. Yet there has not been any prior research in India to indicate the extent of inter-organizational collaboration that exists for CSR activities. This study would be the first step in that direction. This exploratory study aims at developing an understanding on the prevailing corporate social responsibility scenario in Indian companies. The focus of this study is specifically in terms of examining the collaboration dynamism in the CSR perspective.

The following were the objectives of this study:

- To categorize the CSR activities undertaken by Indian companies
- To ascertain the CSR activities that receive the greatest and the least focus in Indian companies
- To determine the strategic Vs moral intent of the CSR activities undertaken
- To identify the types, level and pattern of collaborations existing for CSR activities
- To identify companies that measures the impact of their socially responsible activities.

## 2. Review of Literature & Theoretical Framework

CSR activities are undertaken by companies through various channels. The most common method is by having a special department to look after CSR issues. These departments don't necessarily need to carry the name "CSR"; rather it could be sustainable development, sustainability, environmental affairs or social compliance public affairs. They have the responsibility of planning, implementing and monitoring CSR practices of the companies. In India, the Companies Act, 2013 has made it mandatory for companies falling under this section to constitute a CSR committee. The company can also establish a trust/foundation/society to provide structure and focus to its ongoing social responsibilities. The company supports the trust through the funds it has allocated for CSR. Apart from these, companies in a region or within an industry collaborate or pool resources to undertake CSR activities. This is common when there is a need to execute large projects that require pooled financial and non-financial resources. Research has found that industry wide collaboration was an important mechanism to address the complex problem which might help in wider multi-stakeholder collaborations (Airike, 2012). Industry-university relationships are also constantly on the rise and helps firms advance knowledge in many diverse areas. Vasudevan Manoj (2009) identified the opportunity for partnership in building up rural BPOs with the help of companies' collaboration between NGOs and universities.

Partnership between business and non-profit organizations is an increasingly prominent element of CSR (Jamali and Keshishian, 2009). Such cross-sector partnerships have been one of the most exciting and challenging ways that organizations have been implementing CSR in recent times. As the sustainability practices are becoming complex day by day, companies are looking for more innovative ways for the effective use of their CSR funds. This has motivated companies to effectively utilize the expertise of the non-profit organizations and the leverage the interventions of such NGOs. Companies are being helped by these nongovernmental organizations by handling issues covering wide variety of segments which include supply chain, renewable energy, health and safety, fishing, sustainable agriculture. Some groups of NGO may pursue a single specific objective while some focuses on a broad perspective like protection of human rights or poverty eradication. Businesses are beginning to be more selective in choosing the type of NGOs they are partnering with. If the need is to build a strong relationship with the government or with local communities companies prefer local NGOs. However, in emergency crisis situations or for implementing programmes to reach a wider audience the companies go for partnerships with international NGOs.

Social collaborations play a vital role in achieving corporate social responsibility objectives. Research has suggested that companies will enjoy increased business benefits when they are willing to go beyond just cash donations and involve in more integrative activities. There are different structures in collaborations and each has unique strengths and weaknesses. The collaboration between the business and the NGOs has been found to occur in four stages. The four stages of collaboration include philanthropic, transactional, integrative or transformational (Austin and Seitanidi, 2012). The nature of relationship between the partners are bound to change across the above four stages in terms of intensity and interaction. There are several parameters that are used to identify in which stage each collaboration is in and this includes level of engagement, magnitude and type of resources, scope of activities, interaction level, trust, innovation and many others.

	Stage I	Stage II	Stage III	Stage IV
<b>NATURE OF RELATIONSHIP</b>	<i>Philanthropic &gt; Transactional &gt; Integrative &gt; Transformational</i>			
• <b>Level of Engagement</b>	<i>Low ←-----→ High</i>			
• <b>Importance to Mission</b>	<i>Peripheral ←-----→ Central</i>			
• <b>Magnitude of Resources</b>	<i>Small ←-----→ Big</i>			
• <b>Type of resources</b>	<i>Money ←-----→ Core Competencies</i>			
• <b>Scope of Activities</b>	<i>Narrow ←-----→ Broad</i>			
• <b>Interaction Level</b>	<i>Infrequent ←-----→ Intensive</i>			
• <b>Trust</b>	<i>Modest ←-----→ Deep</i>			
• <b>Internal change</b>	<i>Minimal ←-----→ Great</i>			
• <b>Managerial Complexity</b>	<i>Simple ←-----→ Complex</i>			
• <b>Strategic Value</b>	<i>Minor ←-----→ Major</i>			
• <b>Co-creation of value</b>	<i>Sole -----→ Conjoined</i>			
• <b>Synergistic value</b>	<i>Occasional ←-----→ Predominant</i>			
• <b>Innovation</b>	<i>Seldom ←-----→ Frequent</i>			
• <b>External system change</b>	<i>Rare ←-----→ Common</i>			

**Figure 1.1 Stages of Collaboration**  
 Source: Austin and Seitanidi, 2012

In the philanthropic collaborations, the directionality of the resource flow is primarily unilateral, flowing from the company to the nonprofit. This resource value enables the nonprofit to pursue its mission, the completion of which creates social value. This focuses on not only giving money but also leveraging organizations' special capabilities to strengthen each other. However, there is an associated value accruing to both the partners.

Transactional relationships are those wherein the resource flow changes from unilateral to bilateral and there is explicit exchange of resources resulting in substantial value creation. This type of collaborations include highly developed employee volunteer programs, CRM, event sponsorships, name and logo licensing agreements, various certification arrangements and other specific projects. Here the value creation tends to be more quantifiable and the benefits to the organization are more direct. In the case of integrative collaborations there is development of deeper relationships and greater trust. The collaboration is seen as integral to strategic success of each organization. Here the directionality of the resources is conjoined as a result of which interaction value is emerged having a significant benefit. These collaborations are more complex than transactional since they require deployment of more valuable resources and demand greater managerial and leadership effort. Finally in transformational collaborations there is a shared learning about the social needs and partners' roles in meeting those needs. This stage is far more advanced and involves joint creation of an entirely new hybrid organization. It aims to create disruptive social innovations that are beneficial to either a significant segment of society or to society at large.

Strategic philanthropy (Porter and Kramer, 2002) is also used as a competitive advantage. The knowledge and resources gained out of their business experience gives them a first-hand knowledge of the problems of the community they operate in. This helps them create solutions which helps them become a sustainable competitive advantage in the long-run. NGOs are a means for corporate philanthropy through their charity, sponsorship and fund-raising. At the philanthropic stage, the NGOs are generally the beneficiaries. However, at the transactional stage, resource exchange happens through sponsorship and finally at the integrative stage, for the NGOs the merging of the mission, people and activities are accomplished. Austin (2012) however categorized the alliances into two main stages namely philanthropic and transactional. A third advanced stage of integration, wherein the parties involved experience organizational integration in terms of their mission, people and activities was also presented.

According to Pelozo and Falkenberg (2009) there are four types of relationships a company can be partnering with either a single or multiple NGOs (Figure 1.2). This framework gives the company a competitive edge over other firm in the industry since it gives multiple choices for implementing an initiative. This also helps the company to go in for many priorities with different structures and initiatives. With this both the firm and the NGO can be mutually benefited thereby providing a link between the firm's motives and performance outcomes.

	Single NGO	Multi NGO
<b>Single firm</b>	Focused contribution <ul style="list-style-type: none"> <li>• Ease of management/limited resource requirements</li> <li>• Protects intellectual property of the firm</li> <li>• Susceptible to personal influence/diversion away from core business of the firm</li> <li>• Firm is susceptible to charges of buying reputation</li> <li>• Criticism of undue influence over NGO</li> </ul> Examples – McDonalds/Environmental Defense Fund	Diffused contribution <ul style="list-style-type: none"> <li>• Broader/complex social and environmental goals met simultaneously</li> <li>• Encourage NGO investment in firm innovation</li> <li>• Increased management resources to coordinate disparate NGOs</li> <li>• Slippery slope of involvement and responsibility</li> </ul> Example – Starbucks/Global Exchange/Oxfam/Oaxacan State Coffee Producers Network/Fund Foundation
<b>Multi firm</b>	Shared contribution <ul style="list-style-type: none"> <li>• Promotes innovative culture of the firm</li> <li>• Potential for broader social impact on a focused issue</li> <li>• Reputational benefits accrue to competitors equally</li> <li>• Requires trusted competitors</li> <li>• Potential for loss of intellectual property of the firm</li> <li>• Increased management resources and attention required</li> <li>• Potential for loss of NGO objectivity</li> </ul> Example – Caterpillar/General Motors/White Martins/Piracicaba	Communal contribution <ul style="list-style-type: none"> <li>• Integrate perspectives from multiple powerful stakeholders</li> <li>• Significant management resources and expertise required</li> <li>• Requires the ability to negotiate priorities</li> <li>• Potential for free-riding</li> </ul> Example – Nike/Eddie Bauer/Nordstorm/Fair Labor Association/Human Rights First/Federation of Workers in Phillipines/Cambodian Labor Association

Figure 1.2 Stages of Collaboration

Selsky and Parker (2005) state that there are four types of partnership across sectors which could be created for the implementation of CSR activities. The first is between the business and non-profit organizations, the

second between business and government, third between government and non-profit and finally tri-sector. Seitanidi, (2008) analyzed and brought out different partnership types such as sponsorship, marketing, capacity building, brokering, advocacy, business and other types. It also identifies a broad range of push and pull factors for business and NGOs to work in collaboration.

Pearce and Doh (2005) in their research have suggested that only collaborative approaches outperform other types. Studies in developed nations have identifying distinct organizations involving in social collaborations (Heap, 2000). In India, there are no studies that have examined such relationships. Jothi (2013) in her study found that the major types of NGOs established by in India were Directed NGOs under direct control of the corporate, Funded NGOs governed independently by the corporate and the Established NGOs which are registered bodies under Societies Registration Act, Public/Private Charitable Trust Act or Companies Act. The research states that irrespective of the nature of the business, the business organizations prefer to their own established NGOs to undertake CSR activities. The outcome of any social collaboration is measuring the impact it has created in the market environment. Sakarya et al., (2012) analyzed the objectives instrumental in the formation of cross-sector collaboration and the impact of the social alliances in the subsistence market place with the help of a comparative study. Berger et al., 2007 analyzed all possible forms of problems likely to arise in any social alliance and concluded that not all problems can be avoided and that managers must come up with alternative choices to mitigate those problems.

### 3. Research Methodology

This exploratory study is focused on understanding the current status of inter-organizational collaborations in India. The sample for the study was drawn from the top 500 companies in India in terms of market capitalization. As the study is qualitative in nature it was decided to narrow the sample only to those companies that were signatories of the UN Global compact. Signatories of UNGC are required to frame their own CSR goals and show progress on the same. Hence, it is assumed that such firms would have put substantial efforts towards CSR. This resulted in 59 active companies. This study considered only companies that were signatories before 2015 and are member till date. The final sample consisted of 52 companies. The sample companies were classified into 7 broad sectors and details are provided in Figure 3.1.

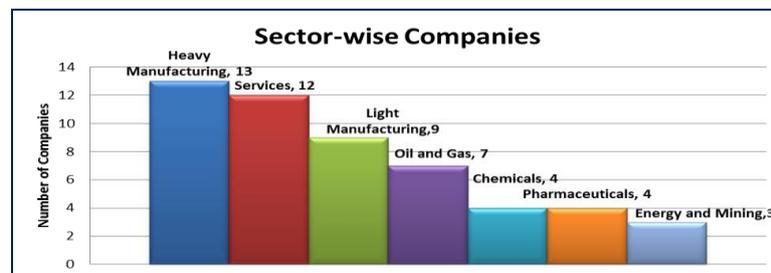


Figure 3.1 Sector Wise Distributions of the Sample Companies

#### Data Collection

The data used in this study has been collected through secondary source such as company websites, communication on progress submitted by firms to global compact, annual report, sustainability report and CSR report. The following are the steps through which data collection was carried out.

**Step 1:** Initial data collection involved collection of information from the UN Global Compact Website. The website has the sustainability report and/or communication on progress report submitted by the firm. The reports of some firms provided complete information on the CSR activities, models for stakeholder engagement, efficiency of CSR and sustainability initiatives. The next source of information was the website of the firm. The CSR tab presented the business responsibility report, information on various CSR activities undertaken, awards and achievements received by the firm for its social responsibility etc. Information on the most recent CSR activities was obtained from the 'new' or 'press release' section of the website. In some cases, the annual report of the firm was also referred to obtain additional information about certain aspects of a firm's CSR. Annual reports were also used as a data source for this study. 102 specific CSR activities were identified in this stage.

**Step 2:** The next step in data collection was to categorize the firm based on the stages of collaboration for CSR. Firms were classified into four stages of collaboration namely philanthropic, transactional, integrative and transformational based on their level of CSR engagement (Austin and Seitanidi, 2012). In philanthropic stage of collaboration there is a charitable corporate donor and/or NPO recipient, largely a unilateral transfer of resources takes place. In transactional level the partners have reciprocal exchange of more valuable resources through specific activities, sponsorships, cause-related marketing (CRM), personnel engagements. The Integrative level involves higher level of intensity and form of interaction where missions, strategies, values, personnel, and activities experience organizational integration and co-creation of value. Finally, the

Transformational stage builds on but moves beyond the integrative stage to a higher level of convergence. The primary focus in this stage is to co-create transformative change at the societal level.

**Step 3:** The various activities carried out by such collaborations were identified for all the firms in the sample. The data was further categorized to determine the most, moderate and least collaborated activities. This classification was intra-firm (relative to activities carried out by the company) and was based on the number of projects coordinated.

**Step 4:** The ‘most collaborated’ activity was further examined to determine if the activities performed were related to the core business operations of the firm. Information about the core business that the company was involved in was identified. The CSR activity was analyzed after which it was compared with the core business operations. Such information was obtained from the annual reports and the website.

**Step 5:** The activities for which inter organizational collaboration between companies and NGOs existed was further scrutinized to observe and demarcate alliances with small/regional NGOS, national/ international NGOs.

**Step 6:** The companies chosen were also examined to determine if the impact of the CSR activities performed was measured. Sources such as Communication on progress (COP), sustainability report were used to gather data regarding this objective.

## 4. Analysis and Findings

### 4.1 Categorization of CSR Activities

The CSR activities undertaken by companies were classified into seven broad categories, namely, education, empowerment, development, healthcare, disaster relief, environmental conservation, and road safety.

**Table 4.1** CSR Activities Undertaken by the Companies

Activity(Broad)	Activities(Specific)
Education	Science education programme, Digital Literacy program, Computer Education Project, School Adoption Programme, Promotion and Support of primary education, Educational infrastructure activities, Adult Literacy Programs, University Alliances, Skills in IT
Empowerment	Women empowerment programs, Sustainable Livelihood Initiative, Financial inclusion program, Non-financial Services, Livelihood training for farmers, Skill Development for youth Enhancing Employability, Teacher training, Vocational training, Empowerment and Livelihood projects, Women’s Micro Enterprises support, Income Generation Trainings to SHG Women, Old age/ widow support program, Coastal livelihood program.
Development	Community development, Infrastructure projects in rural area, Community Service, Infrastructure Development, Rural Development, Integrated Village Development creating awareness, Community infrastructure financing for sustainable projects, Sanitation facilities, Health infrastructure
Healthcare	Rural Health Camps, Malnutrition Treatment, Cancer treatment, Providing medicines, Hand washing behavior change programme, Primary health care, Polio Eradication project, Rural Health Clinics, Blood donation and eye camps , First Aid training
Disaster Relief	Natural Calamities relief funds, Disaster relief operations, Providing flood relief, Helping out the victims of disasters or natural calamities, Support during disasters, Disaster relief funds
Environmental conservation	Biodiversity enhancement, Natural Resource Management, Water management, Water conservation projects, Rejuvenating rainwater harvesting , Rejuvenating community water ponds, Eco-friendly initiatives, Go- Green Campaign, Tree plantation drive
Road Safety and awareness	National Road Safety Awareness Program

### 4.2 Focus of CSR Activities by Companies

The few major cause/activities that attract attention from most companies have been arrived at by consolidating the various activities that are most, moderate or least performed by them across all sectors.

**Table 4.2** Most to least CSR Activities Undertaken by the Companies

Activity	Most (in %)	Moderate (in %)	Least (in %)
Education	30.76	38.46	15.9
Empowerment	17.3	20.51	18.18
Development	13.46	17.95	29.55
Healthcare	21.15	15.38	25
Disaster Relief	9.61	0	4.55
Biodiversity conservation	5.77	7.69	6.82
Road Safety & awareness	1.92	0	0

The above data indicates that highest importance is accorded to Education by the companies in the sample. For example, One hundred and forty six schools have been set up by SAIL in the steel townships for providing modern education to about 70,000 children and assistance has been provided to over 286 schools of villages surrounding steel plants/units for free education of more than 55,000 students. SAIL has also set up six Special Schools exclusively for poor, underprivileged, BPL children at its five integrated steel plant locations covering around 1,400 children providing free education, midday meals, uniform, including shoes, textbooks, stationery items, school bag, water bottles, etc. With the help of Akshay Patra Foundation, SAIL is providing midday meals to more than 23,000 students in different schools of Bhilai every day. In order to support the existing school infrastructure, SAIL has been providing additional classrooms across the. Healthcare, development and empowerment are the other areas that attract the most CSR funds from companies. For example, HPCL provides health care facilities to the society by CSR programs like Muskan, Dil without Bill, Suraksha and Sushrut. They also partner with various NGOs and provide Mobile Medical vans facilities to rural areas where the people are not much access to hospitals.

Similarly, HUL does many empowerment activities; under Project Shakti they provide training on entrepreneurial skill development to the rural women. The company provided their products to these women and enhance their life through income generated from it. In partnership with FAL foundation it undertakes various activities to empower and enhance the employability in women by providing vocational training.

### 4.3 Strategic Motive Vs. Moral Motive

The information gathered were studied and the activities performed were analyzed to conclusively comment on the whether the activities performed by them were related to their business operations or not. This analysis was based on the 'most' collaborated activity for each company.

**Table 4.3** Sector-Wise Distribution of Firms Performing CSR Activities with Strategic Motive

Industry	% of Companies with Strategic Motive
Heavy Manufacturing	46%
Services	58%
Light Manufacturing	55%
Oil & Gas	57%
Chemicals	50%
Pharmaceuticals	100%
Energy and Mining	67%

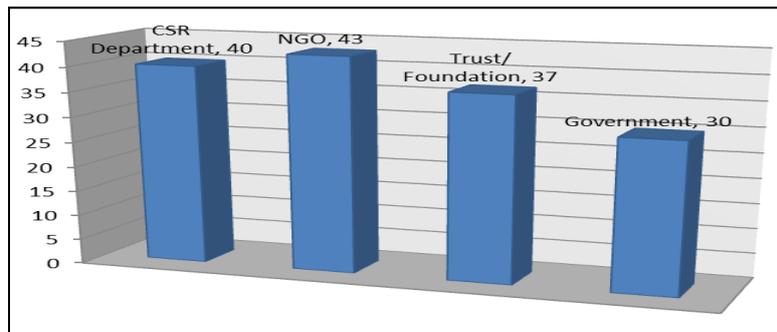
From the sector wise statistics it can be inferred that the pharmaceutical sector predominantly had its major CSR activities focused on its core business operation. This was followed by the energy and mining, services and oil and gas sector.

**Table 4.4** Most vs. Least Collaborated Activities of Companies

Activity	Most (in %)	Moderate (in %)	Least (in %)	Total
Education	42.09	39.47	18.41	38
Empowerment	36	32	32	25
Development	25.93	25.93	48.15	27
Healthcare	39.29	21.43	39.29	28
Disaster Relief	71.43	0	28.57	7
Biodiversity conservation	33.33	33.33	33.33	9
Road Safety and awareness	100	0	0	1

From the above table, it is evident that among the most collaborated CSR activities, road safety and awareness and disaster relief are the most collaborated by companies. As companies lack in expertise, the collaboration for such activities is justified.

The companies have the option to perform the CSR activities with the help of their own CSR department or Trust/ Foundation established, in collaboration with any international/national NGO or regional NGO, and/ or working on government departments/ projects/ schemes or other Trusts/ Foundations.

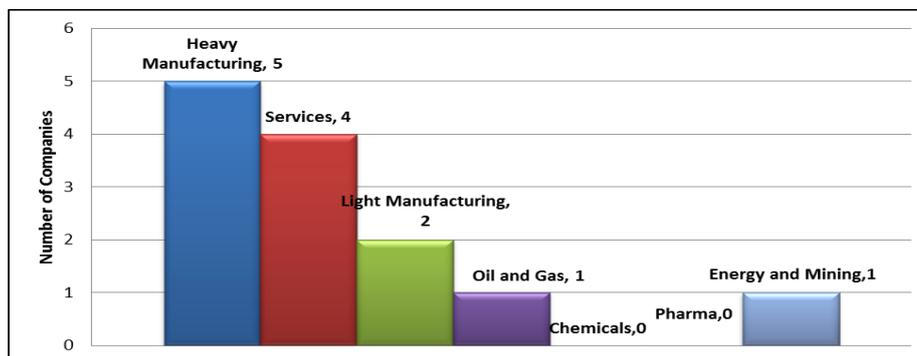


**Figure 4.1** Types of Collaboration

Of the various options available for a company to collaborate and discharge their CSR responsibilities. Companies mainly prefer to collaborate with NGOs because they provide better access in the community they operate.

#### 4.4 Scale Of Collaborating Ngos

The inter-organizational collaboration between the companies and NGO was further scrutinized to observe and demarcate alliances among companies and small/regional NGOs against companies partnering with national/international and wide reaching NGOs.



**Figure 4.2** Sector Wise Distribution of Firms Performing CSR Activities with Large Scale NGOs

Eliminating the companies that do not have any collaboration with NGOs the remaining 43 companies were identified to partner with predominantly 13 national/ international NGOs and some small NGOs while the other 30 companies partnered only with the regional NGOs to discharge their CSR commitments.

For example, BPCL is one of the companies that collaborate with many NGOs and foundations to discharge its CSR activities. The company partnered with Agastya International foundation to provide unique science education programme to rural children and teachers. Pratham is an NGO with which the company is collaborated to execute project digital literacy to low income schools in Mumbai. In Kerala the concern joint hands with Ernakulam general hospital and local authorities to conduct a medical camp that treats for various health issues. For empowering women and youth of India, the organization partnered with NGOs like SEWA and AROH, through this initiative training is provided to women and youth to improve their livelihood skills. In Jharkhand the company partnered with Dr.Reddy's foundation to train 300 youth in major areas like machine operator, BPO services, micro irrigation operator, security, drivers and hospitality. Through NGOs like Shikshangan, Navnirmiti, BNHS the organization has trained rural primary school teachers in order to change the learning level among the children. In Mumbai the company collaborated with Anugrah Drishtidaan an NGO to conduct Eye check-up camps in various places.

#### 4.5 Stages of Collaboration

Based on the detailed information available about the CSR activities of the sample firms, the stages of collaborations for such activities were studied. Details of philanthropic, transactional, integrative and transformational activities were studied elaborately for this purpose. Based on this it was found that majority of the companies engage in transactional or philanthropic stage of collaborations.

One example of philanthropic initiatives could be Wipro cares, it is a trust formed in the year 2003 that seeks to work with communities proximate to Wipro's center of operations. Wipro Cares is Wipro's community initiative focused on certain key developmental issues faced by underserved and underprivileged communities.

Its areas of focus are education, health and environment. It is funded by employee monetary contributions matched equally by Wipro. Its four core areas are work - education, health care, environment and disaster rehabilitation. Wipro Cares is currently engaged in 16 projects across India. Through seven of its health care projects in four states of India Wipro Cares is providing more than 75000 people in 53 villages access to primary health care.

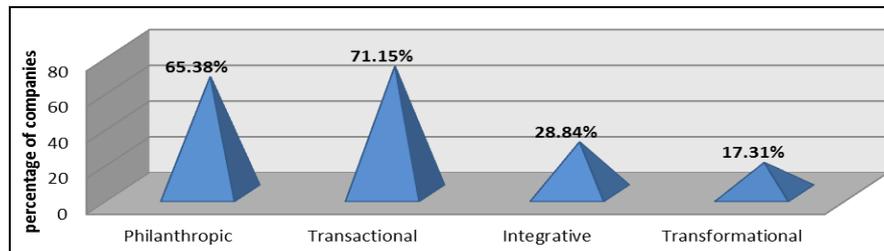


Figure 4.3 Stages of Collaborations

#### 4.6 Measurement of Impact

Measurement of the impact of CSR activities performed by the Companies in terms of the community development, job opportunities created, improvement in the local economy, upliftment of people, number of households affected etc. is as important as spending millions on the CSR activity. Based on the information gathered from various sources it was found that 36 companies out of the 52 surveyed did measure the impact created on the community.

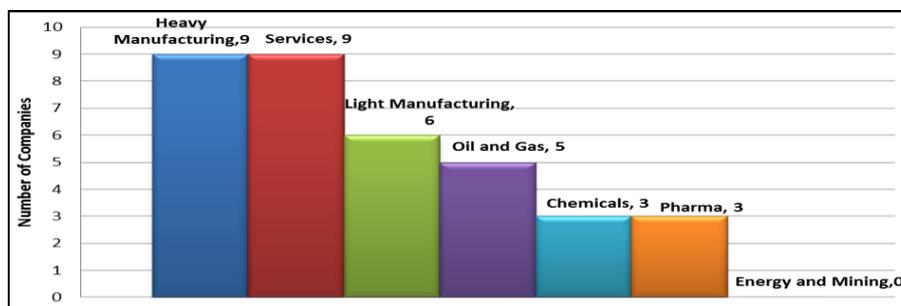


Figure 4.4 Sector Wise Distribution of Firms Measuring the Impact of the CSR Activities

For example, the CSR initiatives made by ICICI bank are reviewed periodically. In addition to this ICICI foundation assesses the impact of all the programmes undertaken by ICICI group. Research studies, process documentation and impact evaluation are carried out for the initiatives undertaken by it. For skill development initiatives conducted the impact is evaluated based on the number of youths trained and their employability.

### 5. Findings and Discussion

Promoting education, empowerment and community development, providing healthcare facilities, providing relief measures towards natural disasters, preserving the biodiversity and environment, awareness regarding road safety and watershed management are the various activities carried out through inter-organizational collaborations. Amongst these, companies focus primarily on Education, Healthcare, community development and Empowerment in that order. In the course of the study, it was observed that due to the continuous involvement of in a certain category of activity, some companies had developed a domain expertise that was leveraged at various circumstances. For e.g., Hindustan Construction Company (HCC) provides various infrastructure support to reconstruct the damaged sites during various natural disasters like Floods, Earth quakes, Tsunami and Cyclones. The company is also a member of the Disaster Resource Partnership and founder member of Disaster Resource Network India. HCC has been in the forefront in several rescue and relief operations in India such as Tsunami (2004), J&K Earthquakes (2005), Mumbai Floods (2005), Bangladesh Cyclone (2007), Sikkim Earthquake (2011), J&K Snow Avalanche (2012) and Uttarakhand and Himachal Pradesh Cloudbursts (2013). The company also undertook Tehri Pump Storage Plant to reduce the risk during flood in the River Bhagirathi (Uttarakhand).

The analysis of the CSR activities revealed that some activities such as road safety, bio-diversity conservation and disaster relief received only less attention from corporate while education, empowerment, development and healthcare received greater attention. The study also found that companies across sectors had a high percentage of CSR activities focused on their core business operation. Notably, Pharmaceutical sector had all its CSR

activities focused on its business operations followed by the energy and mining sector. This is justifiable as pharma and energy sector companies focus more on sustainability initiatives that aim at creating value to both the company and the general stakeholders. Restrictions imposed on them by the government, environmental agencies and other regulatory bodies are very high in these sectors which could be a reason.

Companies perform CSR activities through their own CSR department, Trust/Foundation, in alliance with the Government or in collaboration with various international/national or regional NGOs. 83% of the companies mainly prefer to collaborate with NGOs in carrying out their CSR activities, however the role of government schemes and projects in collaborating with companies are found to be minimal at 58% compared to other collaborations. Among the companies partnering with NGOs approximately 70% of the companies operated through partnership with regional or local NGOs while the remaining worked with national or international non-governmental organizations in addition to working with local NGOs. More than 71% of the companies have progressed away from the traditional philanthropic stage of carrying out their CSR activities to transactional level of collaboration. This indicates that Indian companies are no longer bound by the traditional practices in the CSR arena. Given the large number of companies that are brought into the ambit of CSR by the new Companies Act, the progress of the large companies and the processes that they have used for taking forward such collaborations provides an opportunity for companies in the next level to learn and adopt the best practices.

The study also found that the impact of CSR activities is measured by more than 69% of the companies. With the advent of new tools and measures to track the impact, this finding provides scope for improving/dropping activities that do not create the necessary impact. At an advanced stage such metrics could open up opportunities to measure the monetary cost and benefit of the CSR activities undertaken by the companies.

## 6. Conclusion

The impact of every business decision has a profound influence on the business as well as the society it operates in. A robust CSR mechanism paves way for sustainable businesses impacting economic as well as financial stability of the economy. CSR is no more just another philanthropic activity but a strategic choice aimed towards achieving long-term sustainability. In the current scenario it is essential for companies to look into the ways of implementing their CSR activities. The greatest challenge faced by Indian organizations today is the integration of CSR into its business operations. This study focused on examining the inter-organizational collaborations prevailing in India for implementing CSR activities. Amongst the various CSR activities identified, the companies focus primarily on education, healthcare, community development and empowerment. Majority of the companies undertake CSR activities with a strategic motive. The study on the various avenues of collaborations by the firms indicated that NGOs are the most preferred partners for collaboration and companies choose between regional and local NGOs based on the expected reach of the CSR activity. Companies are not restricted to the traditional methods of CSR and are found to be gradually inching towards higher and better levels of collaboration to undertake innovative CSR activities. The results of the study indicate that a majority of the collaborations existing among the sample firms was at the 'transactional' stage. The study was exploratory in nature and presents several opportunities for future research. The process through which the collaborations are established and monitored, the sustainability of the collaborations and capacity building for common problems can be taken up as an extension of this study.

## 7. References

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