

Full Length Research Article

CONTRIBUTION OF CORPORATE SOCIAL RESPONSIBILITY IN CORPORATE IMAGE MANAGEMENT: A NEW DIMENSION OF PROFITABILITY

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ABSTRACT

Corporate Image Management is being used as a marketing tool these days by individuals and organization. Though the concept of corporate image management was originated with a feeling for upliftment of downtrodden members of the society and it was supposed to help the people with a non profit motive. This way perhaps the business tycoons were trying to give back to the economy, what they had taken from it. Image management helps in good customer relationship management because it touches the heart of the customer. As per Steven Howard, whatever touches a customer, becomes a marketing tool. The same has happened with the concept of Corporate Image Management. If corporate social initiatives help the customer and the company both, then of course, they are worth studying and a lot of research actions should focus towards them. A good corporate image is helpful in better relationships between the company and community. Steven Howard comments on the present scenario of corporate image management in the following words, "A weak or strong corporate image can make a significant difference in terms of a company's sales volume and its stock price. It will also affect the marketability and acceptability of the company's products, services and human resources." Such statements have been the source of inspiration for this study.

KEY WORDS

Corporate Social Responsibility, Corporate Image, Corporate Image Management, Business Ethics, Ethical responsibility, Social Responsibility.

INTRODUCTION

Research Questions

1. Major Indian companies and individuals care for the society or their motive is profit only?
2. Do corporate social initiatives of Indian companies lead to a better corporate image management in public?
3. Do corporate social initiatives act as a factor of good corporate image management?

MATERIALS AND METHODS

Purpose of the research is to analyse the scope of profitability in corporate image management through social initiatives of Indian organisations and individuals. The research started with the research questions raised above. Primary and secondary, both types of data was used for the research. Primary data was collected through personal visit to the companies and interaction with staff members and customers. Secondary data was collected through journals, magazines and books. The data was analysed to achieve the answers of research questions and conclude in the end.

Corporate Social Responsibility

According to Philip Kotler and Nancy Lee "Corporate Social Responsibility is a commitment to improve community well

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being through discretionary business practices and contributions of corporate resources." They also use another term corporate social initiatives. These are major activities undertaken by a cooperation to support social causes and to fulfil commitments to corporate social responsibility. Corporate Social responsibility is an "action that goes beyond the legal or regulatory minimum standard with the end of some perceived social good rather than the maximisation of profits." We can conclude that when a business thinks above the profits and initiates an activity for social welfare that is called corporate social responsibility.

Corporate Image Management

Corporate image is the image or impression of a company imprinted on the consumer's mind through his/her own experience/other's experience, advices and suggestions of friends and relatives etc. As per business dictionary.com, corporate image is a "Mental picture that springs up at the mention of a firm's name. It is a composite psychological impression that continually changes with the firm's circumstances, media coverage, performance, pronouncements, etc. Similar to a firm's reputation or goodwill, it is the public perception of the firm rather than a reflection of its actual state or position." According to Steven Howard "everything an organization does, and does not do, affects the perception of that organization and its performance, products and services." Hence it is high time that we understand that it is very important to carry a good corporate image in the eyes of the customer to achieve profitable goals of the organisation.

History of Corporate Social Initiatives in India

Origin of corporate social responsibility can be seen in historical evidences of state administration in public sector in India. Almost all the royal families from Indian states used to spend a fixed percentage of state revenue for the welfare of the common public. These evidences are clearly stated in ancient sutras given by Chankya and verses composed by Thiruvalluvar in Thirukkural. In ancient time periods, private sector organisations and individuals used to donate a lot for the well being of the society. Many generations of these royal families followed the tradition of various social initiatives for spiritual, material and economic welfare of their subject. India is a country dotted with new and old temples- Old temples are the result of social initiatives of the state administration and rich class (Shreshthis) of the society. Mughals also continued to work for Indian people till Akbar's rule. English people also indirectly helped Indian economy to grow because they brought the technology of road building and train infrastructure with them and spread it in India, but negative side of East India Company cannot be ignored. During the rule of these two foreign communities also public and private sectors, both were active in social initiatives. Free drinking water stalls, free night stays, free education, free medical aid etc. were major initiatives of that era.

Corporate Social Initiatives of Major Indian Companies

After independence, private and public both the sectors were working together for the welfare of the society, though control of major basic needs of the country like education, electricity etc. was in the hands of the Government. Private sector was doing it willingly for the society initially but with increased

profits perhaps the private companies initiated social activities. Some of the recent initiatives are listed below:

Apart from this list many more private organizations in India are involved in social causes and philanthropic work. L&T set out to regulate and promote Construction Vocational Training (CVT) in India by establishing a Construction Skills Training Institute, HCC plays an active role in CSR initiatives in the fields of Health, Education, Disaster Management, and Environment. Disaster Resource Network DRN is a worldwide initiative, promoted by the World Economic Forum (WEF), Shriram Fertilisers and Chemicals- ambulances, family planning, medical assistance; schools, scholarships, emphasis on girl child education; water to people and infrastructure, The Adult Literacy Program set up by Tata Consultancy Services, Akshayapatra – An Isckon initiative distributes free lunches to school children.

Ambuja Cement's social initiatives are focused towards Natural resource management, salinity mitigation, promoting sustainable agriculture and healthcare. ICICI Bank runs a dedicated nonprofit group SIG (Social Initiative Group) , HDFC bank consolidates its operations in weaker sections housing, ING Vysya Bank has partnered with Parikrama Humanity Foundation - working for children in Indian slums. HCL's active participation in collecting funds for the victims of Gujarat earthquake is worth mentioning here. NIIT- an IT training provider helps meritorious poor children become IT literate through its Bhavishyajyoti scholarship scheme. It is not possible to include all major and minor companies in the above analysis but an attempt has been made to include important corporate social initiatives in the study.

Name of Organisation	Initiative 1	Initiative 2
Anand Corporate Services Limited	SNS Foundation, The objective of SNS foundation was comprehensive community development.	The long term goal of Anand CSR is to implement concepts like 'Zero Tolerance Zone for Child Labour', 'Zero Waste Zone' using strategies like Reduce, Recycle
Aptech Limited	Aptech has a long history of participating in community activities. 1. provided computers at schools, 2. education to the underprivileged 3. conducted training and awareness-camps.	Aptech students donated part of the proceeds from the sale of their art work to NGOs.
Avon Cycle Limited	AVON started Mata Kaushalya Devi, PAHwa Charitable Trust Hospital,. Mr. Sohan Lal Pahwa, AVON's Chairman and Principal	Trustee of the hospital, spent a good part of his working life devoted to philanthropy
CISCO Systems Inc	Connects employees to nonprofit organizations serving the communities where they live.	Cisco invests its best-in-class networking equipment to those nonprofit organizations that best put it to work for their communities.
ITC Limited	ITC partnered the Indian farmer by leveraging information technology through its 'e-Choupal' initiative.	ITC is creating livelihoods by helping poor tribals make their wastelands productive; investing in rainwater harvesting to bring much-needed irrigation to parched drylands; empowering rural women by helping them evolve into entrepreneurs; and providing infrastructural support to make schools exciting for village children.
Mahindra & Mahindra	The K. C. Mahindra Education Trust undertakes a number of education initiatives	The Trust has provided more than Rs. 7.5 Crore in the form of grants, scholarships and loans. The Nanhi Kali project has over 3,300 children under it.
JCB India Ltd	JCB India adopted a Government school, in the vicinity of the company premises as its social responsibility	The company's commitment to the school goes much beyond just providing monetary support towards infrastructure and maintenance of school building.
Dabur	Sustainable Development Society (SUNDESH) is sworn to the mission of ensuring overall socio-economic development of the rural & urban poor on a sustainable basis, through different participatory and need-based initiatives.	Today, SUNDESH operates in Ghaziabad and Gautam Budha Nagar district of Uttar Pradesh, and has -- more recently -- established presence in Rudrapur district of Uttarakhand. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment, to name a few.

Do Social Initiatives lead to Good Image also?

The most recent example of correlation between social initiatives and good corporate image is observed in TV ads of Shanti Nihaar Amla, Satyamev Jayate and many other promotional messages with social appeal. Aamir Khan has earned a very good image through the social initiative of Ambanis who are philanthropic partner of the program. Satyamev Jayate is a show with a purpose to bring forth those problems which are commonly spread and seen but are unattended by legal and social systems. Amir Khan's tears while discussing the problems with victims add a lot to his already positive image as a good actor. Vidya Balan can be seen promoting girl education in Nihaar Shanti Amla. Her other social message under 'Swaccha Bharat Abhiyaan' portrays her as a native who talks about health and hygiene of women and girls in villages of India. Sachin tendulkar, Anupam Kher, Priyanka Chopra are other examples who have obtained a better image in the market through social initiatives. Their fans now look at them differently with a sense of respect, while previously they were admired for their acting, play etc. Corporate Image Management earned through social initiatives can be used as a marketing tool Correlation between Corporate Social Initiatives and Corporate Image in India

In this analysis we shall try to understand if good corporate Image leads to higher profits?

According to Renu Jatana and David Crowther "Social responsibility has implications not just for us as individuals but also as members of communities and society at large."

This statement is reinforced by Renu's case study of Ambuja Cement, where the authors conclude that "as a result of their social initiatives, Ambuja Cement is the most profitable cement company in India and the lowest cost producer of cement in the world."

Vijay Shrimali and Harshita Shrimali state that "In recent times, social responsibility has gained lot of importance among companies because of its long term benefits....creating brand equity is the most powerful weapon in a company's armour to beat the competition.....social responsibility provide the shortest route to an organisation's success."

P. N. sankaran and Amita Nandkarni, "Indians continue to hold high brand equity and reputation of companies over the above CSR criteria."

Corporate social initiatives help to differentiate the company from its competitors. In fact social initiatives improve the image of the presenter of the initiative also. While promoting Swaccha Bharat Abhiyan, Viday Balan changed her image to a caring celebrity for the society, the way Aamir had changed by joining Satyamev Jayate team. As a product, Shanti Nihar Amla stands apart from other amla oils today as its perception in the mind of customer has changed. Such initiatives create value addition to the services or products of the company. A good corporate image helps in facing bitter competition and win more market share. It can also be used as a branding technique for organisation's growth.

Hence we can say that social initiatives make the individual or the organization a brand that cares for the society. This branding is encashed by the organizations for better image and increased sales to defeat the competitors.

Limitations of the Study

1. Primary data could be collected from Rajasthan only and for the rest of the country secondary data has been the major source of research.
2. Scope of the study is external social responsibility, internal social responsibilities towards employees and suppliers etc. have not been discussed in this paper.

Recommendations

If the companies utilize their corporate image and use the following steps to market themselves by analysing the image affects in marketing perspective, they are likely to increase their profits through increased sales. The companies also need to understand the importance of careful monitoring while implementing new corporate identity through social initiatives. Then they can market the image they have created and also redefine it, if needed. This may also lead to enormous profits through increased number of loyal customers. In a way, Indian companies are deviating from the basic aim of social responsibility. While it started with a view of non profitability, today the companies are using their social initiatives as a new threshold to profitability. Hence the statement of Steven Howard seems true, "If it touches the customer, it is a marketing issue."

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