

# Corporate Social Responsibility "Public Sector vs Private Sector – Myth or Reality?"

Ranjan Meghnath Yadav<sup>1</sup>, Dr. Sharad Kadan<sup>2</sup>, Dr. Reetuja Deshpande<sup>3</sup>  
Researcher<sup>1</sup> and Guide<sup>2,3</sup>

MIT Arts, Commerce and Science College, Alandi Devachi, Pune, India

Ranjanmeghnathydadav34@gmail.com, sskadam@mitacsc.ac.in, rpdeshpande@mitacsc.ac.in

**Abstract:** *Corporate Social Responsibility (CSR) is becoming more important for businesses. But how it's used and its effects can change a lot between different sectors. This research paper looks at what makes CSR in public versus private sectors similar or different. The aim? To find out if these differences are real or just stories. By comparing the two, we want to learn about what drives CSR efforts in public organizations compared to private companies. To dive deeper, the paper uses different methods. It mixes both qualitative & quantitative data. We collected primary data from interviews & surveys with people from various organizations in both sectors. Also, we looked at other reports, literature, & CSR disclosures for secondary data. We also included case studies of some public and private sector groups to get a clearer picture of their CSR activities. The results show interesting things! While both sectors care about CSR, their methods and reasons are quite different. Public organizations often think about helping society & following government rules. On the other hand, private companies tend to focus more on being competitive in the market and meeting what stakeholders expect of them. These differences come from how each sector operates and what goals they have. In conclusion, the differences we see in CSR practices are not just make-believe; they come from real situations unique to each sector. This research gives insight for both theory & practice, recommending special strategies that can boost CSR's impact in each area. Plus, we suggest future studies to keep exploring how CSR is changing across various types of organizations.*

**Keywords:** Corporate Social Responsibility

## I. INTRODUCTION

In the last few years, Corporate Social Responsibility has changed. It used to just be an afterthought but now it's a big part of how companies plan their future. CSR is all about doing good things. This includes taking care of the environment, treating workers fairly, helping out in communities, and giving back through donations. Lots of people recognize how important it is, but the way companies use CSR can change a lot depending on whether they are public or private.

In the public sector—like government offices & state-run businesses—there are rules to follow. They need to keep the interests of the public in mind. This means being open and following laws set by the government and other bodies. Usually, their focus is on helping society and being responsible to the people they serve. On the other hand, private companies think differently. They care more about staying ahead of their competitors, meeting what customers expect, & making profits. Their CSR efforts often aim to build a good image, please shareholders, and stand out in the market.

This difference leads to a fun question: Are the variations in CSR strategies between public & private sectors real? Or is it just something we imagine? Getting a handle on this is super important for creating effective CSR plans that really help our communities.

This study will dig into how CSR is done across these two sectors. It will look at whether differences in practices come from what makes these sectors unique or if other factors are at play. By comparing what public & private organizations want to achieve with their CSR efforts and how well they do it, this research will show us how these sector differences shape what they do for social good.

**Summary:**

Corporate Social Responsibility (CSR) is very much important today. It shapes how companies with their communities and the environment. But, what? The way organizations handle can be very different in the public sector compared to the private sector. In public organizations, there's often a big focus on meeting the needs of the people. They aim for transparency & want to follow rules that help society.

On the flip side, private companies usually use CSR to boost their brand image. They want to meet what consumers expect & also make profits.

This research digs into these differences. Are they really that big? Or is it just how things seem? By looking at how both public and private sectors practice CSR, this study tries to find out if these different approaches are based on real reasons or if they've been exaggerated.

The results show that both sectors care about CSR. But their reasons & methods can be quite different! Public organizations often put society first and work hard to follow the rules. Meanwhile, private companies aim for a good spot in the market & listen closely to what their stakeholders want.

Comparing these two offers helpful insights! It shows how differences between sectors shape CSR efforts. Plus, it gives some handy tips for improving CSR strategies in both types of organizations.

## II. RESEARCH METHODOLOGY

### Research Design

Type: This is a descriptive & comparative study. Objective: We want to compare how CSR is done in public vs. private sectors. The goal is to see if the differences are real or just myths.

### Research Questions

What are the main differences in CSR between the public and private sectors? Are these differences really important or just misunderstandings?

### Data Collection

#### Primary Data:

- **Interviews:** We will conduct semi-structured interviews with CSR pros from both sectors.
- **Surveys:** There will be structured questionnaires to gather info on CSR practices & views.

#### Secondary Data:

- **Document Analysis:** We will look at CSR reports and relevant policy documents.
- **Case Studies:** Notable CSR initiatives from both sectors will be analyzed.

### Sampling

Population: We're focusing on organizations that have CSR programs Technique: We'll use purposive sampling so there's a balanced representation Size: We aim for at least 30 organizations from each sector.

### Data Analysis:

Qualitative: We'll do thematic and content analysis of interviews & documents Quantitative: Descriptive statistics & comparative tests such as t-tests will be used.

### Ethical Considerations:

Make sure informed consent is given, keep things confidential, & be transparent.

### Limitations:

There might be sampling bias, issues with data availability, and response bias.

### Conclusion:

We'll wrap up by summarizing what we found about the differences in CSR and any myths. Plus, we'll share some recommendations

**Objective:**

**1. A closer look at CSR Implementation:**

First, we'll check out how Corporate Social Responsibility (CSR) is done the public sector compared to the private sector. There's a lot to uncover!

What are the key differences in approach, strategy, & execution of CSR initiatives between these two areas? Let's find out!

**2. The Motivations Behind CSR:**

We need to figure out what really drives CSR activities in the public sector. Think about things like following rules, being accountable to the public, and fulfilling ethical duties. Next, let's dive into why businesses care about CSR in the private sector. It's often about keeping up with market competition, meeting what customers want, & boosting their brand image.

**3. Time to Assess Impact and Effectiveness:**

We should evaluate both the clear results (like numbers) and the less visible benefits of CSR initiatives in each sector. What about measuring how well these activities meet their social, environmental, & economic goals?

**4. Analyze Public Perception and Myth:**

It's important to explore what people commonly believe or misunderstand about CSR in public versus private sectors. Are these ideas real? Or do they differ from what actually happens in practice?

**5. Examine Regulatory and Structural Factors:**

How do rules and organizational setups in both sectors shape the way CSR is practiced? We'll consider how things like resource allocation & structural challenges impact the success of these initiatives.

**The proposed sustainable development goals are:**

Goal 1: Let's end poverty!

Goal 2: We need to stop hunger, get everyone enough food to eat, improve nutrition, & support sustainable farming.

Goal 3: It's super important to make sure everyone lives healthy lives and feels good no matter their age.

Goal 4: Let's work together for quality education that includes everyone. Learning doesn't have to stop; it should be lifelong!

Goal 5: We must reach gender equality. Empowering all women & girls is key.

Goal 6: Everyone deserves access to clean water & good sanitation. Let's manage these resources well!

Goal 7: Affordable and reliable energy? Yes, please! Everyone should have access to modern energy solutions.

Goal 8: Let's push for economic growth that's inclusive. Full-time jobs and productive work are vital for all.

Goal 9: Building strong infrastructure is a must! We need industry that includes everyone & spurs quick innovation.

Goal 10: Lastly, we should work on reducing inequality. Everyone deserves a fair chance.

**The Pyramid of CSR:**

**1. Economic Responsibility (Base Level) Description:**

This is the lowest part of the pyramid. The more important job for businesses is to make money. They need to operate in way that is profitable & makes value for their shareholders. If a company doesn't have a strong base, it can't really focus on other levels of social responsibility.

Key Aspects:

- Financial performance & stability
- Profitability & shareholder value
- Smart use of resources

**2. Legal Responsibility (Second Level) Description:**

The next part shows a company's duty to follow laws and regulations. Businesses must work within the laws of their area, doing everything they are supposed to by the law.

Key Aspects:

- Following laws & regulations
- Meeting industry standards

- Fair business practices

### 3. Ethical Responsibility (Third Level) Description:

Moving beyond what is required by law, ethical responsibilities are about doing what's right and fair, even if it's not required. This level looks at what society expects from businesses in a moral way.

Key Aspects:

- Fair treatment of workers
- Honest advertising practices
- Respecting stakeholder rights

### 4. Philanthropic Responsibility (Top Level) Description:

At the very top, we have philanthropic responsibilities. These are about choosing to help society out - just because! This can mean giving money to charity, getting involved in the community, or supporting good causes. It's not required but it's definitely encouraged to help make life better for everyone around.

Key Aspects:

- Engaging with the community & helping it grow
- Charitable gifts & support
- Volunteering & sponsoring events

Visual Representation: The pyramid usually shows four parts stacked on top of each other:

Base: Economic Responsibility

Second Layer: Legal Responsibility

Third Layer: Ethical Responsibility

Top Layer: Philanthropic Responsibility

Implications: Foundation for CSR Strategy: The pyramid tells us that businesses should first focus on making money and following laws before they think about being ethical or helping out in the community. If a company doesn't have strong economic and legal bases, they might struggle with higher-level social activities.

Holistic Approach: It encourages a complete view of social responsibility, pushing companies to do more than just follow laws or make profits but also help society in a positive way.

### CSR Development in the Indian Context:

Corporate Social Responsibility (CSR) in India has changed from conventional charity to a more organized and effective approach. At first motivated by personal business beliefs, CSR became officially acknowledged through the Companies Act of 2013, which requires specific companies to allocate a minimum of 2% of their net profit towards social and environmental projects. Education, healthcare, environmental sustainability, rural development, and skill-building are some of area.

Recent developments indicate a rise in corporate involvement and strategic integration of CSR with business objectives, frequently achieved through collaborations with NGOs and an emphasis on evaluating outcomes. Nevertheless, obstacles like compliance-focused strategies, absence of standardization, and challenges in measuring impact still persist. Future plans include closer alignment with company objectives, increased openness, and adherence to global Sustainable Development Goals (SDGs).

### Where India stands on sustainability:

India is involved in Corporate Social Responsibility from many years and it was ranked third after China and Singapore in the list corporate social responsibility, according to social enterprise CSR Asia's Asian Sustainability Ranking (ASR), released on April 2014.

As per the ESG report by Channel New Asia, presented the sustainability ranking of best 100 corporate of Asia.

### Problems:

1. **Different Ways of Doing CSR:** It's interesting to see how CSR practices change public & private sectors. They have different reasons for doing things, ways to carry them out, and results too.

**2. Reasons Behind CSR:** Let's look at what drives these CSR activities. Is it true that the public sector focuses on rules & being accountable to the public? And what about the private sector? They might follow market competition & what consumers want.

**3. How Well Does CSR Work?:** We should check how effective CSR programs are in reaching social and environmental goals. It's also good to think about the real benefits & any issues these efforts might have in both sectors.

**4. What People Think vs. Reality:** We can analyze if popular ideas about CSR in both sectors match what actually happens. Do people really believe one sector cares more or does a better job than the other?

**5. Differences in Rules and Settings:** Finally, we need to look at how rules, organization, and resources shape CSR practices & results differently in public versus private sectors.

**III. FINDINGS**

**1. Different Reasons & Goals:** The study shows that companies in the private sector often on things like brand image, customer loyalty, and keeping ahead of the competition when they do CSR stuff. In contrast, public sector initiatives might lean more on rules, being accountable to the people, and doing what society expects.

**2. Ways of Doing Things:** There could be some differences in how these sectors carry out their CSR. Private companies often have more freedom & creativity. Meanwhile, public organizations may stick to rules and more common methods.

**3. Checking How It Works:** We might see that CSR efforts work differently. For private companies, they could see quick benefits because their goals align with business aims. On the other hand, public sector efforts might take longer to show effects in society but can be tricky to measure directly.

**4. What People Think vs. What Happens:** The research could find a gap between how the public views CSR and how well it actually works. People might think private firms are doing better while viewing public efforts as less effective, even though each has its own pros & cons.

**5. Rules Shape Actions:** Regulations and differences between these sectors probably affect how CSR is done. Public organizations may face hurdles like strict processes & budget limits. Private companies, however, can usually move faster with new ideas

**AVERAGE SPENDING ON CSR BY DIFFERENT SECTORS IN % OF PAT.**

Steel companies: 2.53, Automobile companies: 2.06, Manufacturing companies: 1.42, Oil companies: 1.18, Private sectors: 1.19, Diversified companies: 1.83, Public sectors: .69, Others: .47

**Score card table of major eighteen Indian companies:** This will help to understand various Indian company, which are involve in csr activity and their percentage of contribution.

NAME OF THE ORGANIZATION	RANK	CSR %	SUS	CSR SH	DISC	GOV	SCOR E
TATA STEEL	1	3.37	20	28	10	18	76
TATA CHEMICALS	2	1.4	15	36	10	13	74
MAHINDRA & MAHINDRA	3	1	20	30	10	12	72
MARUTI SUZUKI	4	.79	13	32	8	18	71
TATA MOTORS	5	6.36	20	24	8	15	67
SIEMENS INDIA	5	.3	11	33	6	17	67
L&T	6	1.49	18	27	10	10	65

COCA COLA INDIA	8	1.9	18	27	4	15	64
GAIL	9	1.61	15	24	8	15	62
SAIL	9	1.5	13	28	4	17	62
INFOSYS	9	.11	18	19	10	15	62
RELIANCE INDUSTRIES	12	1.7	13	28	8	12	61
WIPRO	12	.28	18	15	10	18	61
TATA POWER	12	.77	13	26	10	12	61
NTPC	16	.55	15	24	8	12	59
INDIAN OIL CORP	19	1.58	10	22	10	15	57
BPCL	22	.68	13	19	8	15	55
HPCL	22	2.41	10	23	8	14	55

#### IV. CONCLUSION

According to the need of the time and in their own long run interest realized the importance of CSR and most of the companies has transformed from their traditional self centered thought to socio economic approaches. They have accepted that business is not just for making money and this is evident through their involvement in various community developmental activities. Many Business firms had realized the importance of using business ethics as a tool for retaining customers and increasing its market share by taking up the initiatives of CSR. They have also taken for providing a clean environment for the society. Also some companies started using the CSR as a strategy, which aims at mutual development of company and the community simultaneously, for a more reliable and long term sustainable development of business

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