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Evolution of Corporate Social Responsibility: A Review of Shifting Paradigms

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ABSTRACT

In the modern business era the responsibility of business towards the society is occupying prominent place. Business firms have to discharge accountability towards societies as well as peoples in which the business organizations operate. For this purpose, companies introduce new tool and strategy in order to compete and being stable in the dynamic environment, known as Corporate Social Responsibility (CSR). The evolution of CSR is a long journey and the conception of CSR has changed from philanthropy to stakeholder benefit approach at global level over the period of time. In the present scenario, CSR has become more of a legal compliance than voluntarism. In the light of this, the prime focus of this paper is to trace the conceptual evaluation of CSR. The present paper highlights that in the 1950s the main focus of business organizations was serving good deeds for the community. During 1960s there was an attempt to formalize the concept of CSR and to link society and business, defining society in wider terms. In the 1970s the main emphasis was on proprietor's objective and stakeholder responsiveness, which identified direct and indirect interests of stakeholders. In the 1980s, business and social interest moved closer and companies turned more responsive towards the stakeholders. During the 1990s the concept of CSR almost universally accepted and supported and finally, in the 2000s, CSR became definitively an essential strategic matter. In India, the year 2013 witnessed a great historical development in the concept of CSR. The historical amendment in Companies Act, 1956 made it mandatory to discharge the social responsibility by companies.

Keywords: Corporate Social Responsibility, Charity and Philanthropic, Conceptual Evolution, Community Development, Legal Compliance.

INTRODUCTION:

In the last two decades radical and accelerating advancements in the field of science and technology have transformed the business arena into a world of knowledge society. The spread of knowledge and information is empowering employees and consumers, enlarging the economic, social and political organizations and creating a symbiotic association between environment and human being. At present, business leaders realize that the social environment in which business operates is vague, challenging and demanding. The worldwide competitive framework in which organizations have to assess their values has become more complicated and intense. Business leaders are facing a mounting challenges how to respond the increasing expectations put by society and government in sustaining the fragile equilibrium of both wealth creation and creating social consistency. The responsibility of the business in a society is legitimate feature of business leadership. So the leadership has to discharge accountability towards societies as well as peoples in which the organization operates. For this purpose, companies introduce new tools and strategies in order to compete and being stable in the dynamic environment. Among these various tools and strategies Corporate Social Responsibility (CSR) is considered one of leading and most effective of them.

Corporate Social Responsibility is primarily a twentieth century invention (Pava and Krausz, 1995). Due to the globalization and with the increase in intensity of competition worldwide, companies are expanding their boundaries from the country of their origin towards the sprouting markets of developing countries (IMF, 2006). The success of corporations has necessitated the development of the idea of CSR. The notion of CSR is as old as the business organizations. Maignan and Ferrell (2000) described corporate social responsibility comprises of the ethical, legal, economic and discretionary responsibilities, which companies have to fulfill towards stakeholders. External stakeholders like community having common expectations of social legitimacy and governments with explicit requirements asked for CSR (Wood, 1991). In order to understand the influence of corporate social responsibility on organization behavior, it is essential to understand its evolution. In this study, the conceptual developmental path of CSR evolution has been traced with the objective to of enhancing the knowledge of this subject.

OBJECTIVE OF THE STUDY:

The main objectives of the study are:

1. To review the different phases of evolution of the concept of CSR in global arena.
2. To study the allocation of funds for CSR activities in Public and Private Sector banks in India after the Company Act 2013.

For the fulfillment of above objectives and to clarify the developments in the evolution of CSR, the present research study is primarily based on the literature review and secondary information available from various journals, conference proceedings and annual reports of banks in public and private sector. The nature of present study is mainly qualitative and descriptive.

Historical Perspective of Corporate Social Responsibility:

In order to understand the concept of CSR the present study looks back to the origin of CSR that began many centuries ago. The studies observed that in ancient Mesopotamia, in about 1700 BC, King Hammurabi pronounced that designer & planners, innkeepers and cultivators should be given death penalty, if the major loss or death happens to the public due to their negligence (BRASS, 2007). An important milestone in the history of CSR was industrial revolution of late 18th, 19th and 20th centuries in which big companies initiated to emerge with their actions progressively influencing the immediate environment and societies. This fact evoked and deepened the discussions on the appropriateness of the actions of business corporations. These discussions and debates resulted in enactment of new legislations like regulating the formation of industrial trusts, safety of labour, ban of child labour, etc. Public oppose and critics on system of factory labour, resulted in development of various 'industrial wellbeing programmes' which offered recreation facilities, education, and socialization. The objective of these welfare programmes was to produce simultaneously good workers and good citizens (Kries, 2004).

Hopkins (2003) in his study explained that the idea of ethics in business along with origin of CSR can be observed back to 19th century philanthropists, like socialist entrepreneur Robert Owen, and other Quaker-owned enterprises**.** On the same lines, in 1920s Henry Ford realized that he should provide enough salaries to his employees, so that they can purchase the cars which they produced. That policy emerged as disadvantage, since the salaries and other benefits in his plants at that time were in excess as compared to the norm of auto industry. But, eventually his decision led to competitive advantage to the car Company, resulted in an increase in demand for his product as well as he became an attractive employer (Martin, 2002). On the other hand, Ford's this step benefited the society at large by increasing the bar for salaries and other benefits to the employees across the automobile industry. In this way, Henry Ford inadvertently exercised the simple tool of CSR without having the knowledge about concept of CSR.

Evolution of the Concept of Corporate Social Responsibility: The 1950s-1960s:

In early 1950's there was not a great deal of representation of CSR discourse in the literature. However, in this decade remarkable attempts were made to formalize the concept of CSR. According to Carroll "CSR encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time". During that time writers such as Clarence Walton, Joseph McGuire, William C Frederick and Keith Davis contributed a lot to the CSR issue. Frederick mentioned that social responsibility involves a public attitude headed for human and economic resources of the society and a compliance to observe that such resources are employed for extensive development of the society and not simply for the barely confined welfare of private companies and people (Carroll 1999).

At the global level, the first attempt to define CSR was made by Bowen's (1953), by questioning the status and extent of conscientiousness that business units should recognize and underlined the role of company beyond the economic profits. It refers to the responsibility of corporate units to follow those policies, decisions and lines of action which are supportive in achieving the objectives of the society and maintain its value. He further opined that social responsibility is not a solution, but it is a significant value that must direct companies for the future. Berle (1954) suggested that with a view to fulfill the requirement s of society, companies need to demonstrate self-restraint. The study preferred to call this term the conscience, which symbolizes a significant early expression of CSR and the failure of traditional views of corporation, which only see profits as the final objective. Drucker (1954) was the one who firstly addressed the CSR, and stressed that public responsibility is one of the eight prime areas of company objectives. The study highlighted that management's first responsibility towards society involved making a profit and management should consider the impact of every business policy and action upon society. Heald (1957) pointed out various proclamations and policies of the company executives from early part of this century and concluded that the objective of companies is the advancement of social well-being.

Frederick (1960) pointed out that social responsibility denotes that companies ought to administer the function of an economic system which satisfies the expectations of the public. And in the similar manner, resources of the economy should be utilized in such a manner that production and its distribution ought to improve the socio-economic wellbeing. The definitions of CSR in the sixties were an endeavor to make a linkage between business & society and characterizing society in the extensive terms. At that time, there was no explicit relation to the society, environment or ecology. Davis (1960) argued that social responsibility means executive's decisions and course of actions at least somewhat beyond the company's financial and economic interests. In some socially responsible business decisions, long run financial gains of the company are considered and kept in view for maintaining its socially responsible outlook. As per *"Iron Law of Responsibility"* social responsibilities of firm should be in commensurate with their social power. McGuire (1963) posited that social responsibilities of a business are more essential than its legal and economic responsibilities. Companies should concern of contentment of employees, education and welfare of the community. It was the introduction of the social activities and demonstrated that business groups must act as corporate citizens.

Further Development of Concept of CSR: The 1970s-1980s:

In 1970's the one and only one social responsibility of the firms was the utilization of its resources and facilities with an objective to enhance their profits. Their intention was to earn the profits within the rules of the game, by following the policy of open and free competition, without deceiving the society. The liberal concept of CSR was advocated by Friedman (1970), which highlighted that corporate responsibility principally focusses on proprietor objectives and stakeholder responsiveness which identifies direct and indirect interests of stakeholder. This ultimately resulted in inclusion of stakeholders. Johnston (1971) expressed that a socially responsible companies are those, where the executives keep balance between the multiple interests of stakeholders and strive for huge profits. A socially responsible firm also considers workers, suppliers, traders, society, and the country as a whole.

A landmark in the field of CSR was in 1971, when the Committee for Economic Development (CED), USA sketched out a three-tiered model of CSR. The inner circle reflects the fundamental responsibilities the firm to earn the profits and to achieve the development. The intermediate circle reflects that firm must be responsive to the dynamic social contract that lies between firm and community when it chases its economic objectives. In last, the outer circle descripts the responsibilities and actions that a firm should actively follow towards the improvement in social environment (Sbarcea, 2007). Eilbert and Parket (1973) propounded the concept 'neighborhood', which represents the best approach to recognize social responsibility is to think of it as good neighborliness. One phase of the concept represents not doing activities that harms the neighborhood, the second phase; it might be stated as the voluntary assumption of the obligation to resolve the problems of neighborhood. On the other way, social responsibility means the obligation of a firm to resolve the wide social problems like transport, racial favoritism, urban decay or environment pollution. Murphy (1978) posited that the period of 1960s and early 1970s were the eras of CSR 'awareness' and 'issue'. This era reflected the changing social realization and acknowledgment of overall responsibility, contribution towards social affairs, urban decay awareness, curb of racial favoritism, lessening of pollution, and attention on charitable donations by the companies. Carroll (1979) opined CSR as the social responsibility of a firm includes the economic, ethical, legal and philanthropic expectation that community seeks from the firms.

During 1980s, the concept of CSR integrated the company objectives with the social responsibility of business with a view to be responsible about environment, employees and also make good profits. In an endeavor to relate CSR, business ethics and responsiveness (Epstein, 1987) reinforced that CSR is primarily related to the achievements of outcomes from decisions of an organization related to definite issues which by some normative standards have positive rather than negative effects on specific company stakeholders. A new concept was introduced i.e. “corporate social policy process” which means the institutionalization within business organization of the three components viz. a viz. business ethics, corporate social responsiveness and corporate social responsibility. Gray et al. (1987) expressed CSR as the method of addressing the environmental and social effects of firms’ economic activities to particular sections within community and to community as whole.

Paradigm Shift in Concept of CSR from Profit to Stakeholder: 1990s-2000:

In the 1990s, Drucker and several other writers promulgated CSR as corporate strategy and the concept of CSR has also shifted from agency theory to stakeholder theory. Stakeholder theory lays emphasis on existence of the companies not only be responsible about shareholders but also towards workers, consumers and government. Carroll (1991) emphasized that companies should have four basic social responsibilities. Firstly, in order to fulfill the economic responsibility and to meet consumption needs companies have to earn profits. Secondly, companies have a legal responsibility to comply the legal requirements while fulfilling their economic objective within a legal structure. Thirdly, in regard to the ethical responsibilities, companies have a commitment to follow the ethical and moral rules defining appropriate behaviors in society. In the last, discretionary responsibilities represent company’s activities that are not mandated by law, but are expected by stakeholders as a manifestation of good citizenship.

CSR model was categorized into four layers of a pyramid, labeled as economic, ethical, legal and discretionary responsibilities. The four layers represent that the history of businesses suggested an early emphasis on the economic and then ethical aspect and a later emphasis on the legal and discretionary aspect. Heskett and Kotter (1992) propounded that CSR is established by company's policy and constant activities in such areas as workers’ relations, social development, global relationships, marketplace practice, environment, economic responsibility and answerability. CSR is not just about charity and volunteerism rather it is about developing an attitude and organization culture that considers value in intermingling with community above and beyond simply fulfilling the needs of shareholders and customers. Perks (1993) described the reporting of corporate social responsibility as the disclosure of all such costs and benefits which may or may not be expressed in monetary terms arising from economic activities of the company and considerably borne by the society and other stakeholders.

The study of CSR has been conceptualized as a pyramid constituting of four kinds of responsibilities that must be considered simultaneous viz. a viz. Economic, Ethical, Legal, and Philanthropic (Trevino and Nelson, 1995). Firm’s economic responsibility represents that the principal function of a business is the production of services and goods which are required by the consumers. Economic responsibility is considered as the principal one because without financial stability the other responsibilities cannot be fulfilled. As opposed to the view of Friedman (1970), where the management’s sole responsibility is to increase the wealth of shareholders. Trevino and Nelson (1995) argued that management should earn profits according to the basic rules of society, which are personified in the law as well as in ethical customs. This means that economic responsibility embraces the legal and ethical aspects as well as the other two responsibilities. As per legal responsibility company should perform its functions in accordance with operating and applicable law. An ethical responsibility encompasses the more general responsibility to perform right and to curb the damage. Philanthropic responsibility signifies the company’s energetic involvement in activities that support and encourage society welfare in the form of money and time donations to the public or communities. Failure of such responsibilities is not considered to be unethical but it will influence the firm’s reputation within the societies.

Lee (1997) revealed that CSR is a firm's assurance to conduct its operation in an environmentally and economically sustainable approach, while fulfilling the expectations of the stakeholders and maximize social, environmental and economic value. CSR is a holistic concept which can mean different things to different stakeholders and groups. McIntosh et al. (1998) asserted that it is the social responsibility of the firms when they perform their activities as per the requirements of various stakeholder groups. ‘Corporate Social Innovation’ concept was initially pioneered by

Modern Concept of CSR in Twenty First Century:

Today the concept of CSR has experienced radical transformation, which assimilated social and environmental concerns into missions and decisions of the corporation. Presently, corporations have started providing awareness to various stakeholders about their CSR initiatives. Worldwide companies have embarked on CSR initiatives in the fields of education, conservation of water and soil, rural wellbeing & health, gender equality in employment, environment safety, community developmental projects, disaster management, green environment, product & service responsibility and waste management. CSR is the degree to which firms fulfill the economic, ethical, legal and discretionary responsibilities required by the stakeholders (Maignan and Ferrell, 2000). Firms formulated and published new policies and promoted the internal training programmes to achieve the compliance. Some firms started "catching-up" programs such as creating equal job opportunity for minority sections of the society. Large firms provided awareness about CSR to the public and published some of their endeavors in this regard. Firms also made the society that any initiative to corporate responsibility must start with the practical recognition that the firm ought to earn sufficient profits for shareholders, so that shareholders can be further encouraged to invest in CSR programs (Wilson 2000). Kapstein (2001) argued that companies had expanded the discussions with environmentalists', labour & trade unions and other concerned stakeholders to execute the certification solutions in order to establish the codes of conduct, supervision and reporting. At present, there are new principles for human rights; environment and corporate citizenship and that are no less rigorous as compare to the financial need of the investment in societies (Williams 2002).

In a study, Wawryk (2003) opined CSR as the ongoing obligation by the firms to perform ethically and contribute towards economic development while improving the standard of living of the employees, their families and the community at large. Companies were traditionally considered as economic entities engaged in enhancing value for their shareholders. Kingston and Wagner (2004) suggested that leadership on sustainability and CSR are imperative to lay down priorities and to guarantee that commitments have been fulfilled. The discharge of the obligation towards the society is known as CSR. The social responsibilities of businesses encompass the economic, ethical, discretionary and legal expectations that community wants from companies (Turner, 2006). Bebbington et al. (2008) highlighted that CSR reporting are interlinked throughout an organization at different levels such as influence on strategic planning, decision making, management of risk, governance, participation of stakeholder, management system and data collection, appraisal of performance, public relations and communications. The inclusion of more CSR initiatives in the business process will promote the alternative thinking to solve the problems occurring in business occasionally. The integration of business process within the value chain will provide more opportunities for the firms to influence the decisions of others upon whom such firms depend. The concept of CSR encompasses the transparency of firms as well as the stakeholders' expectations. The concept of CSR minimizes costs and risks, improves reputation and brand value, competence and effectiveness of workers, and enhances transparency in the working environment of the organization.

Emergence and Implementation of CSR in India:

India, being a land of philanthropy and having strong religious base, believes in business social responsibility from ancient times. It was seen as ethical to share some wealth of business with society, as the source of wealth is derived from society. Great thinkers like Mahatma Gandhi strongly advocated "Trusteeship approach**"** for business social responsibility. He believed that all great successful businessmen are only trustees of the wealth they possess, because it is created by them by using natural resources which belong to the society. Right from the beginning the business is seen as source of wealth generation which will have some impact on social and environmental issues. Hence, it is nurtured among the Indian Business people to care for corporate philanthropy, and industrial welfare. The ideas became very strong by late 1800s. All religions in India strongly advocated "Dana" (Donating part of the wealth), be it Hinduism, Islam or Christianity. In 20th Century, business social responsible practices took the shapes of philanthropic donations to charity, service to the society, improving workers' welfare and encouraging religious conduct. In 1950s the ideology of CSR was principally based on an assumption of the responsibility of the firm towards to society (Prabhakar and Mishra, 2013). It has been observed that firms are paying genuine attention toward the socially responsible behaviour and also favoured the customers with the procurement of preferred goods and services. This resulted in a rise to the concept of CSR.

JRD Tata always strongly advocated the business, move beyond performing themselves as responsible citizens. He felt that there were numerous means in which companies and business organizations can contribute towards the welfare of society. He advised that apart from donating funds to good causes, the business may use its own human, financial and managerial resources to develop the task forces to provide reconstruction measures and direct relief. Gradually, it will be getting accepted, at least in theory that companies had to spend on social overhead cost. Earlier, the business used to discharge its social responsibility through providing assistance for education, health, scientific research and others. The significant change at that time was that industry accepted social responsibility as a part of its management practices. The community development occupied that top position in the agenda of discharging social responsibility by industry. The TATAs are considered as pioneering business house in propagating and discharging social responsibility in an effective way.

Sethi (1975) brought out a new concept in corporate social responsibility known as "Corporate Social Performance". Later, Carrol (1979) and Warick & Cocharan (1985) expanded this concept. In the last decade of the twentieth century, it has been observed that charity and conventional philanthropy initiatives have been moved towards the mainstream development of the community as well as more concern for deprived social groups. This initiative was a result of combined internal endeavors of corporate spirit and externally by increased governmental and society expectations (Mohan, 2001). In India, as in the rest of the world there is a growing realization that companies cannot be successful in a community where corporate does not take care of social needs of the surrounding communities. A perfect and ideal CSR requires both philosophical as well as ethical dimensions, particularly in Indian society where there prevails a broad gap among the various sections of people in regard to socio-economic status, income and standards of living (Bajpai, 2001).

From voluntarism to Legal compliance:

The year 2013 witnessed a great paradigm shift and historical development in the concept of corporate social responsibility in India. The historical amendment in Companies Act, 1956 made discharging of social responsibility by corporate mandatory. The applicability of the provisions, the meaning and spirit of corporate social responsibility, the procedure for implementation and others has been elaborately discussed in the amendment. In 2014, the policy guidelines for the implementation of corporate social responsibility came into force.

This made discharging of CSR by corporate mandatory. New practices like CSR audit, constitution of CSR committee, formal framing of CSR policy of the company etc. have been introduced in the guidelines. Section 135 of Companies Act, 2013 applies the rules of CSR to every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more continuously for three years have to spend 2% from the profits towards social activities. For spending money for corporate social responsibility activities the listed companies have to constitute a CSR committee of three or more directors out of which one director shall be an independent director. In case of private companies two directors may form the committee. The corporate social responsibility committee shall formulate policy of social activities to be undertaken by the company and recommend it to directors as specified in Schedule VII of Companies Act, 2013. The companies need to spend money to reduce child mortality & poverty, women empowerment, eradication of severe hunger, improving maternal health, warfare against AIDS, HIV and other chronic diseases, sustainability of environment, investment in community development projects, vocational training programs, donation towards disaster management. As Per the Companies Rules, 2014 companies can implement their CSR initiatives through the following methods:

1. Through their own direct initiatives.
2. Through establishment of non-profit organization of its own to assist CSR initiative.
3. Through establishment of independent registered non-profit organizations that have at least three years track record of related activities.
4. Work together with other companies by sharing the resources. Only CSR initiatives looked after in India will be considered.
5. Initiatives intended exclusively for workers and their families will not be considered as CSR activities.

Paradigm Shift of CSR and Challenges Ahead:

The companies while formulating the policy for CSR activities have to align the approaches like philanthropy, improving operational effectiveness and transforming the business model. The activities will be implemented by managers. CSR strategies should be the central part of business strategy as well as these should be inculcated in the process of long-term planning. Nowadays, stakeholders are expecting more and more from corporations regarding CSR initiatives and are influencing the corporations' decisions-making in this regard. It has become essential and crucial to incorporate stakeholders' views while planning the long term strategies. In Indian scenario, CSR executives are facing several challenges such as shortage of knowledge, budget allocations and support from employees in managing CSR activities. Moreover, lack of professionalism is also another problem met by the executives. In case of small scale companies, they have not enough budget and adequate interest towards CSR activities; moreover, they fail to disclose the CSR activities undertaken for the betterment of community. Media should play crucial role in disbursing the information to the public at large regarding the benefits of CSR initiatives to them undertaken by the companies. The situations in the present scenario demand the change of the CSR activities of the companies and have focused on improved economic, environmental and social performance. There is a need to take up sustainability initiatives like waste management systems, effective resolution of climate change risks, low carbon initiatives, ethical work practices, and CSR initiatives aimed at benefiting local communities. The companies have to align CSR strategy with their business strategy which helps them to leverage their CSR expenditure.

Spending on Corporate Social Responsibility in Indian Banking Sector:
The main objective of the present study is to theoretically explore the evolution of the concept of CSR. In order to substantiate our objective we have examined the extent of expenditure on CSR in banking sector in India. It has been witnessed that more expenditure on CSR has led to better financial performance of banks in India. The empirical literature also suggests positive influence of CSR spending on financial performance of banks. Singh et al. (2013) in their study observed that banks have started putting in CSR activities. It has been found that all types of banks whether private, public or foreign banks have taken corporate social responsibility as their priority. But most of the banks are not disclosing their spending amount on CSR in their reports. Dhingra and Mittal (2014) in their research study revealed that an attempt has been initiated in the banking sector to make sure the socially responsible behavior of banks. Health and medical care, education, self-employment training, removal of poverty, financial inclusion, development of rural area, financial literacy training etc. are some important areas where banks have more concentrated. In another study, Yadav and Singh (2016) empirically analyzed the impact of CSR on financial performance and trends of CSR expenditure by selected banks. The findings of the study revealed that impact of CSR on overall banking performance of the selected banks is significantly positive but individually it is different. Anjali et al. (2016) also analyzed that ROE, ROA and EPS have a positive relation with CSR. The study also points out that CSR has a negative impact on Price to earnings and price to book value. Study by Maqbool and Zameer (2018) examined the relationship between corporate social responsibility and financial performance of Indian banks. For this purpose, secondary data was used for analysis collected from 28 Indian commercial banks listed for the period of 10 years (2007–16). The results of the study highlight that the CSR has positive influence on financial performance of the Indian banks.
As per Section 135(1) of Company's Act 2013, having Net worth of INR 500 Crores or more; or Turnover of INR 1000 Crores or more; or Net Profit of INR 5 Crores or more has to spend 2% of the average net profits made by the company for CSR activities during every block of three years. The following table depicts the allocation of funds for CSR activities by public and private sector banks in India.

Table 1: Funds allocated for CSR Activities by Public and Private Sector Banks

Sr. No.	Bank Name	CSR Actual Spent (2016) in Crore	CSR Actual Spent (2017) in Crore
1.	Allahabad Bank	10.99	8.27
2.	Andhra Bank	1.28	3.19
3.	Axis Bank Ltd.	137.41	135.39
4.	Bank of Baroda	19.40	1.40
5.	Bank of India	NIL	6.42
6.	Bank of Maharashtra	4.12	0.29
7.	Canara Bank	32.78	32.68
8.	Central Bank of India	1.17	NIL
9.	City Union Bank Ltd.	8.05	8.16
10.	Corporation Bank	4.77	2.05
11.	DCB Bank Ltd	0.41	0.98
12.	Dena Bank	1.72	2.43
13.	Federal Bank Ltd.	12.30	15.42
14.	HDFC Bank	194.81	305.42
15.	ICICI Bank	172.00	182.00
16.	IDBI Bank	9.44	4.35
17.	IDFC Bank	23.40	4.85
18.	Indian Bank	2.95	2.65
19.	Indian Overseas Bank	0.28	NIL
20.	Indusind Bank	27.32	33.81
21.	Jammu & Kashmir Bank	28.48	21.87
22.	Karnataka Bank	6.06	6.56
23.	Karur Vysya	2.05	1.75

Sr. No.	Bank Name	CSR Actual Spent (2016) in Crore	CSR Actual Spent (2017) in Crore
24.	Kotak Mahindra	16.41	17.33
25.	Lakshmi Vilas	0.88	1.40
26.	Punjab National Bank	6.76	2.72
27.	RBL Bank Ltd	1.6	3.68
28.	South Indian Bank	2.30	4.03
29.	State Bank Of India	143.92	109.82
30.	Syndicate Bank	12.93	1.45
31.	UCO Bank	4.23	20.85
32.	Union Bank Of India	6.98	7.27
33.	United Bank Of India	2.13	0.57
34.	Vijaya Bank	2.74	4.96
35.	Yes Bank	29.52	41.66

Source: Annual Reports of Banks

The above table highlights the funds allocated for CSR activities of Public Sector and Private Sector Banks, for the financial year 2015-16 and 2016-17. The banks named Bank of India, in the year 2015-16 could not make up for CSR, due to losses in last three consecutive years, the Central Bank, Indian Overseas Bank in the year 2016-17 are also not able to allocate funds for CSR, due to losses in previous years. The table also highlights that three private sector banks viz. HDFC Bank, ICICI Bank and AXIS bank have highest fund allocation in the financial year 2015-16 and 2016-17 respectively. In the public sector banks the State Bank of India has the highest fund allocation for CSR activities in the previous two years. This implies that private sector banks are more concerned for CSR activities than public sector banks.

SUMMARY AND CONCLUSION:

The purpose of the study is to trace out the conceptual progression of corporate social responsibility. Many authors contributed to the conceptual development of the multiple aspects of CSR. During the mid of twentieth century, the main focus was on responsibilities of firms towards community, but there was negligible focus on the linkage of CSR with business benefits. There was almost no debate regarding the relationship between CSR and firm financial performance. In the 1970s business executives used traditional management functions included in the enlightened self-interest model to deal with CSR matters. In the 1980s, the organizations became more responsive towards their stakeholders because of the closeness of business and social interest. In addition, new definitions of CSR were developed focusing on alternative or complementary issues. In 1990s the world accepted the idea of CSR. In 2000s, CSR emerged as vital strategic issue for corporations, since institutional changes made environmental and social sustainability an essential source of institutional legitimacy of companies, up to the point where companies have some social responsibilities incorporated as well as legal responsibilities. During the last 20 years, most of the CSR research studies have investigated CSR from the companies' point of view. The social perspective and how companies influence community have rarely been explored. The benefits which companies obtain with CSR have to be emphasized and they must not disregard the ethical and social view of CSR. In the above study during review of literature, it is observed that the major emphasis on CSR activities has grown to the level of large scale companies. It is suggested that the CSR activities must be incorporated by small and medium-sized enterprises (SMEs). It has been observed that SMEs are linked with community and local economies, because the greater part of their customers and employees belong to the same geographical area.

Corporate Social responsibility in India was started as a charity and Philanthropy but later on grown to the level of multi-stakeholder benefit. The interference by Government helped CSR to acquire prominence in the corporate business practices. There is a long journey still left for India to ensure implementation of CSR activities by a large number of private sector companies. This is more so in the case of SMEs. It is hoped that with the amendment in the Companies Act businessmen will take the true spirit of law of CSR and exert their maximum effort to spread CSR among all the business people so that there can be balanced development in terms of class. To substantiate the argument of CSR, the impact of CSR spending on the financial performance of Indian banks as been specifically reviewed in the literature and it has been observed that there is positive correlation between CSR spending and financial performance of banks.

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