



Corporate Social Responsibility in the Global Apparel Industry:
An Exploration of Indian Manufacturers' Perceptions

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In last few decades, corporate social responsibility (CSR) has marked its importance in scholarly research as evidenced by an increasing number of articles and journals dedicated to the topic (Dirnbach, 2008). This increase in popularity is in part the result of globalization and international trade (Jamali & Mirshak, 2006), as the era of globalization has meant that many apparel retailers do not own production factories, but have divested their manufacturing in favor of outsourced production. Availability of inexpensive labor and low production costs make developing countries attractive outsourcing locations. For this reason, India is emerging as one of the major players in the global apparel supply chain (Krishnamoorthy, 2006). The Indian textile and apparel manufacturing sector employs roughly 45 million people, making it the second largest provider of jobs in India after agriculture, and accounts for nearly 11% of the country's total exports (Ministry of Textiles, 2012). Despite the growing demand for responsible manufacturing, very little is known about the practice of corporate social responsibility in developing countries like India (Jamali & Mirshak, 2006). Thus, the purpose of this study was to explore perceptions of corporate social responsibility among Indian apparel manufacturers.

To address the purpose of the study, a qualitative research design was employed, and a multi-method approach, including in-depth interviews and observation was used for data collection. Upon Institutional Review Board approval from the researchers' university, twenty-six professionals working in the Indian apparel industry were interviewed, including 20 males and 6 females. Participants' job titles ranged from merchandiser, designer, and production manager, to divisional merchandise manager. Interviews lasted approximately 30 to 90 minutes and were audio-taped with participant's consent. Five factories in New Delhi and the Neighboring Capital Region were observed and eleven Indian apparel manufacturers' websites were reviewed for CSR-related content. Interviews were transcribed verbatim and analyzed along with observation and website data for emergent themes which were then used to structure the interpretation (Spiggle, 1994). Seven key topical areas were identified which help to define CSR and articulate its role in the Indian apparel sector: (1) *What is CSR?*, (2) *Benefits of CSR*, (3) *Challenges of CSR*, (4) *A Question of Responsibility*, (5) *A Matter of Size*, (6) *The Role of Auditing*, and (7) *Moving Forward with CSR*.

Although few apparel businesses in this study were actively engaged in CSR practices, the interpretation of data revealed that the most common CSR activities currently seen in the Indian apparel industry are people-focused, society-focused or environment-focused. Participants

perceive a number of benefits that could be gained by implementing CSR, such as employee retention, enhanced employee commitment, and an improved company image. However, they also described a great many challenges to CSR, including tight production deadlines, reluctance of management and owners to implement change, buyers that are not supportive due to higher costs, the vulnerability of the country's export market, lack of education among workers, and a flawed auditing process. Although participants think that it will take time, they believe these hurdles can be overcome by the combined effort of retailers, government and manufacturers.

Based on the findings of this study, within the context of the Indian apparel sector, corporate social responsibility can be defined as a firm's commitment to adopt policies and conduct activities that have a positive impact on employee welfare, society, and the environment. Results indicate that there is a great need to foster awareness among Indian apparel business owners and management that CSR can be beneficial for the company and that its implementation does not necessarily require major financial investment. Findings point to perceptions that CSR can offer both supply- and demand-side benefits. On the supply side, CSR activities can be instrumental in attracting, retaining, and motivating employees. On the demand side, CSR results in an enhanced company reputation and goodwill.

Despite increased pressure to implement corporate social responsibility throughout the global apparel industry, very little research has been done to understand its role in developing countries such as India. This study is one of the first to focus specifically on the labor intensive Indian apparel industry as a context for CSR and to examine what CSR means in India today. Moreover, this study examines perceptions of an overlooked stakeholder group – suppliers – who play a key role in the supply chain and therefore are likely to have specific ideas and opinions about CSR. As a result, this study provides a real-world understanding of the benefits and challenges involved in implementing CSR in a non-western country, while pointing to the need for more research on CSR throughout the entire supply chain.

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