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CORPORATE SOCIAL RESPONSIBILITY (CSR)

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Abstract:

“No business success is worthwhile unless it serves the needs or interests of the country and its people” - JRD. Tata

CSR is the new mantra for today's corporate India. In the traditional days CSR was a concept which the government was forcing upon Indian Companies. Nowadays the relationship between the organizations, the state and the society has undergone a tremendous change. Hence, both the public and private organizations are more responsible to the state and to the society. The corporates practice CSR activities not only for financial benefits but also for social and the environmental causes.

The modern business organizations have enormous responsibilities to various interest groups namely consumers, creditors, shareholders, govt., employees and the society at large. In the recent years, their responsibility towards the society at large ensures that the organizations conduct themselves in a manner that is beneficial to the community / society. Hence it is quite essential to discharge their obligations as the society demands it as their responsibility.

In the contemporary days CSR is a vital tool for each and every organization for its survival and sustainable development. CSR is no longer mere philanthropic for the organizations and they have to give back to the society / community which contributed to their success. *In this context, this paper highlights the CSR practices of Indian PSU's.*

“No business success is worthwhile unless it serves the needs or interests of the country and its people”

- JRD Tata

“Every company has a special continuing responsibility towards the people of the area in which it is located”

- JRD Tata

CSR can be defined as operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. It is viewed as a comprehensive set of policies, practices and programs that are integrated throughout business operations and decision making processes that are supported and rewarded by top management.

According to European Union, CSR is a concept that an enterprise is accountable for its impact on all relevant stakeholders. It is continuing commitment by business to behave fairly and responsibly, contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

CSR is the commitment of business to contribute to sustainable economic development, working with employees, and their families, the local community and society at large to improve their quality of life in ways that are good for business and good for development.

CSR means conducting activities in an economically, socially and environmentally responsible manner. It also includes working together with stakeholders to identify constructive solutions to shared problems. The corporates believe that their operations bring direct benefits to the communities, in which they work, including the creation of jobs, expansion of local infrastructure and support of community projects that create opportunities for a better future. As a responsible organization, they believe that it is their duty to observe and promote ethical business practices and advocate respect and tolerance by and for all people. Every business concern tries to integrate corporate responsibility activities and objectives within their corporate governance and management and enhances disclosure regarding environmental and economic transparency.

CSR AND CORPORATES IN INDIA:

One of the seven social sins that M.K. Gandhi spoke about (along with politics without principles, wealth without work, pleasure without conscience, knowledge without character, science without humanity, and workship without sacrifice) is commerce without morality. Hence the businessmen and business houses must be socially responsible and they are accountable to the societal growth and development.

There has been a paradigm shift and radical change in the relationship between business and society in the recent years. This change is mainly due to the globalization of business, liberalization, privatization, the increased size and influence of companies, the repositioning of government and the rise in the strategic importance of stakeholders' relationships and brand reputation. The relationship between corporates and the society has moved on from paternalistic philanthropy to a re-examination of the roles, rights and responsibilities of business towards society. There has been a tremendous change in the role of business in society.

The organizations are being asked by consumers, investors, workers, government and others to account not just for the quality of their products and services but also their impacts on the environment, employees and the society where they are operating. Therefore CSR is centrally concerned with the idea that companies need to take responsibilities for their action outside the narrow view of profit at all cost.

CSR is the new mantra for corporate India. Historically it was a concept, which the government was forcing upon Indian companies. In the contemporary days, the modern organizations are more responsible to the state and society and their actions affect both. Hence they are persuading CSR not only for financial benefits but also for social and the environmental causes as they are more concerned about the long-term consequences of their actions.

A study entitled "2007 Corporate Social Responsibility: A Pilot study" reveals that India is among countries where more than four out of five organizations are practicing CSR, ranging from donating to local charities to undertaking global fair labour standards. It also reveals that HR personal in India, Brazil, Mexico and Australia are more likely than those in the US to report that their organization has formal CSR policies. A glance into the CSR practices adopted by the Indian Corporates it can be said that the CSR is the new weapon for them to build a strong long-term image.

CSR IN INDIAN PSU'S:

Indian Public Sector Undertakings (PSU's) are considered as the temples of modern India. They provide more employment opportunities and also helps the government to generate income through dividend and tax. The CSR practices adopted by the PSU's also help the society / community at large. They help to improve the living standard, literary level, healthcare for rural poor and their well being, providing water facility, employment training etc. to the villagers and downtrodden areas.

Some of the CSR practices of leading PSU's are listed under:

CSR and NLC

Neyveli Lignite Corporation is a leading PSU in Southern State i.e. in Tamilnadu. It's main activities are lignite mining and power generation. It meets the power need of the entire southern states. It's CSR and peripheral development activities are highly commendable. It runs Neyveli Health Promotion and Social Welfare Society (NHPSWS) to support the social welfare activities. This society provides training for the physically challenged, widows and destitute within Neyveli area and also arrange for job opportunities. It also runs a school for the hearing impaired, offers computer training and also provides artificial limbs to the needy people. This organization extends all assistance including grant and infrastructure facilities in running the Sneha Opportunity School – a day care centre for mentally disabled children run by the Neyveli Ladies Club. This school provides training for such children in different skills like arts, crafts, weaving, carpentry, gardening, screen printing, doll making, etc. in order to make them self employed and fit for earning their livelihood. It's community development plan cover a wide range of community welfare projects and activities like providing potable drinking water, connecting roads, educational facilities and health care to the needy villages in and around Neyveli. An annual budget provision of Rs. 100 lakhs is being made for peripheral development programmes. The company's General Hospital organizes free medical camps periodically for the benefit of the surrounding area which includes eye camp, polio immunization camp, diabetes detection camp etc. This company has donated Rs. 25 lakhs to the Cancer Institute in Chennai. Whenever disaster struck our nation, NLC has always extended its helping hand and shared the grief of the affected people. It offered financial assistance during Kargil War, Orissa Cyclone and Gujarat Earthquakes. When the killer wave 'Tsunami' hit the nearby areas, NLC donated Rs. 2 Crore to PM's

National Tsunami Relief Fund. When it hits the nearby coastal areas, a team from NLC consisting Doctors, Engineers and others with necessary equipments and transport vehicles, helped the district administration in carrying out the relief works. The employees of the organization are also willingly contributed their one-day salary for the Tsunami Relief Fund. This concern has been awarded “CSR Award” from ‘Help Age India’ for its initiative and contribution towards mobilizing fund through the students of schools in Neyveli. This company also bagged the award for ‘Corporate Social Responsibility and Responsiveness’ instituted by the Standing Committee of Public Enterprises (SCOPE) for the last few years.

CSR and HPCL

HPCL is one of the oil PSU and it is also a Navaratna Company. It meets the energy needs of our nation. It believes in contributing to social changes is as indispensable as fueling a nations economic progress. This company also adopts villages, conducts medical camps, finance for bore-wells and provide vocational training for rural poor as means of sustenance for the less fortunate. Apart from the philanthropic contributions, it undertakes a business to business activity which has strong underlying social benefits as these activities are self-sustainable and enjoy a longevity and growth. This company focuses on some models which serves their CSR activities as well as business growth. It's Community Kitchen initiative of ‘Raso Ghar’ besides alleviating the drudgery of cooking through firewood etc. also brings in volumes. This organization's rural outlets ‘Hamara Pumps’ and ‘Kisan Vikas Kendras’ target the social objective of taking the fuel and other farming needs to the nearest point of consumption and helps in saving the cost and time of the rural population in addition to the increase in retail business. HPCL has been active for many years together for betterment of the society and neighbouring communities. As this organization wants to do more, more efficiently and effectively to create an everlasting value, it has adopted a ‘Triple Bottomline Approach’ for expenditure for CSR. This concept means that social and ecological factors are equally important as economic impetus for a business. Investment in this area is strategic and long-term, and returns are calculated just as in business. Some of the projects taken up under this concept are:

Suraksha: Setting up of AIDS prevention units in 150 highly busy petrol pump, that will be scaled upto 500, aimed at providing deterrence to atleast 5 lakh of truckers every month.

Swablamban: This programme is being run with CII aims to train 2000 youths in trades like retail operations and ensure them life time employability.

Unnati provides computer training to 3000 school students in semi urban / rural areas of Vizag and Mumbai.

Nanhi Kali: Supporting 500 girl students from weaker section of the society and ensure that they don't leave education midway and help them to grow into empowered women of substance.

Vikas: To ensure that 5500 children become educated through remedial classes, access to library and later on become self sufficient through vocational training.

Navjyot: Increase health index of 3100 children in one of the resettlement colonies near Delhi-Bawana.

Muskan: It provides foster care, boarding, lodging, education, vocational training to 100 run-away or orphans and help them to grow up into men of substance.

Naya Netritwa: To encourage, orient, mould and train 400 students to grow up into leaders and social entrepreneurs who can bring in a positive change in the society, community and country.

Leadership Lectures: It is another innovative agenda of HPCL for developing leaders for future through a lecture series to be held in 25 cities and cover more than 10000 students.

In order to strengthen the agri-business needs and contributing towards rural development, HPCL has come out with the concept of establishing low cost outlets in rural areas named as 'Hamara Pump' which in line with the rural consumer needs deliver quality fuel at right price and at the right place i.e. in their door steps. It has also developed a concept of 'Kisan Vikas Kendras' as an extension of 'Hamara Pump' with additional facilities catering to agricultural needs etc. It provides a one-stop-shop solution to rural consumers. This organization also identified the need for credit to the farmers. In order to fulfil this need, this company has tied up with Mahindra Financial Services Ltd. for rolling out hordes of schemes rendering finance for purchase of fertilizers, seeds, farm equipments, household equipments in addition to credit for fuels. It has already commissioned around 480 such 'Hamara Pumps' with each of them catering to the needs of the surrounding villages. This company is the pioneer for an innovative scheme called as 'HP GAS Rasoi Ghar' (Community Kitchen) through which people can get easy access to ready kitchen to cook their daily meals faster than before.

CSR and BPCL

BPCL is also a giant sized oil PSU and categorized as a Navaratna company. It's main business is supply of energy which includes motor spirit and diesel for car and trucks, fuelling of flights, fuels to industries, cooking gas for homes and kerosene to the domestic as well as business users. BPCL also succeeds in CSR. A series of activities are undertaken by this company for the community development with a view to bring the villages out of under-development and alleviate poverty and to improve the general working conditions of people. This organization's CSR activities include: Infrastructure development like provision of tube wells, bore wells, dug wells for drinking water and irrigation, construction of multipurpose community centre to accommodate school (non-formal education), balwadi (Primary Education), health centre, community centre, construction of sanitation block to promote hygiene, provision of alternate sources of energy, solar energy based street lights and lighting for village and community centre.

Education support includes provision of uniforms, notebooks, stationery, teaching materials, educational aids, sweater and food supplements, educational scholarships to children from the economically backward classes for pursuing their studies till complete their education, aptitude testing and vocational guidance for higher secondary children through experienced psychologists.

Health care activities includes regular health checkup for villagers by doctors, provision of free medicines for minor ailments, guidance on family welfare and general health care, free medical dispensaries, cataract surgery and intra ocular lens treatment.

Skill enhancement programme include adult education, modern farming practices, distribution of fruits saplings, veterinary camps, cattle camps, distributions of smokeless chulhas, training on income generation vocations, helping women promote awareness on social issues, organizing regular lectures for women on family life and education.

CSR and SAIL

SAIL is the leader in Indian Steel Business. It's contribution to the nation is worth mentioning while discussing the CSR. 'Clean and Green' is the motto of this company. The implementation of SAIL's commitment to Ministry of Environment and Forests / Central Pollution Control Board for fulfilment of the charter of Corporate Responsibility

for Environment Protection was the major thrust area in the recent years. This organization has continued its contribution to the society as a socially responsible organization through various initiatives such as national HIV / AIDS campaign etc. It has associated with National AIDS Control Organization and actively involved in implementing the Information, Education and Communication campaign on Prevention and Control of HIV / AIDS. Under this programme more than 75,000 employees have been covered since January 2000. In addition to this, more than one lakh non-employees have also been covered under the massive AIDS awareness programme.

SAIL has a well planned sports policy. It's object of promoting sports in potential areas by hunting youngsters' through its four academies in steel township in Bhilai, Durgapur, Rourkela and Bokaro. The hockey academy at Rourkela has been upgraded by installing synthetic turf. Some of the sports stars from the academy are represented at the national level. In order to promote sports in and around steel plants, a Day Boarding Sports Centre has been set-up by this organization.

It is caring to preserve the nature with various activities like water conservation, effluent treatment, extensive afforestation, etc. It has also developed a Bird Sanctuary, raised an Amla Plantation, set-up an Aushadi Vatika and started vermin-culture.

Its contribution in the field of education is highly commendable. In order to improve the literacy level in its townships and peripheral areas, it has various schemes like subsidized education, scholarship schemes, free education to children from SC / ST communities and economically weaker sections.

CSR and ONGC

ONGC is also a Navaratna PSU which explores and fulfil the energy needs of our country. It has strived and achieved in taking India closer to Energy-security. This company was ranked 26th in the Platts Top 250 Global Energy Companies Ranking, 2006 based on the Asset, Revenue, Profit, EPS and ROCE. It is also ranked 3rd among the 50 best Asian Companies and topped the list of six Indian Companies in Business Week's first annual ranking of listed companies. It is also a front runner in the field of CSR.

ONGC is the pioneer in the country which launched the PURA project in Maichara Village of Tripura in 2005, the aim of this project is providing urban amenities in rural areas as envisaged by Dr. A.P.J. Abdul Kalam, Hon'ble President of our nation. The village Maichara has been provided with four centers of ONGC pura, viz. 'Bijli

Ghar' (the electricity generation room), the 'Randhan Seva' (the Kitchen facility), 'Samaj Shibir' (social camp) and 'Gyan Kendra' (information centre) with modern facilities.

This organization has another novel scheme called Project Saraswati. The aim of this project is to find deeper un-exploited groundwater resources in drought prone areas of western Rajasthan. A MOU has been signed with Water and Power Consultancy Services (India) Ltd. on the 16th Nov. 2005 under this project. This project includes drilling and testing of deepwater wells in 13 districts of western Rajasthan.

This company is an active member of the global compact programme. It aggressively promotes 'CSR' under the Corporate Governance Practices by urging Indian Industry and business to make collective efforts by making a meaningful difference in the lives of people.

ONGC is the first company which initiated 'PURA' i.e. Providing Urban Amenities in Rural Areas. It includes bridging the rural – urban gap through achieving a balanced socio-economic development involving identification of rural clusters with growth potential. This project involves creating four types of connectivity viz. 1. Physical – road, transportation and power. 2. Electronic – reliable telecom, internet and IT services. 3. Knowledge – good education and training institutions and 4. Economic – enable farmers to get the best price for their products. The ONGC PURA initiative plans to set up PURAs in Tripur, Assam, Nagaland, Andhra Pradesh, Maharashtra and Gujarat where this concern carries out operational activities. In order to implement the PURA project successfully, ONGC has set up a foundation viz. ONGC PURA Trust with corpus amount of Rs. 10 crore in partnership with NGOs, Bank, private sector and professionals. The scope of this project is to initiate, promote, sponsor, manage, construct and assist in any programme to provide amenities to rural areas in the following areas:

1. Schools, colleges, educational and technical scientific institutes, etc.
2. Disburse aid / relief to rural public, hospitals, clinics, dispensaries, Crèches, etc.
3. Agriculture, horticulture, dairy farming, animal husbandry.
4. Help small and marginal farmers to improve farming methods, breeding of plants, animals, etc.
5. All types of development programmes.
6. Family welfare, health care and community development programs.
7. Distribute supplies of all essential commodities.

8. Promote cottage industries and cooperative ventures for production, manufacture, sales and distribution of products.
9. Industrial and vocational training and production projects.
10. Slum eradication, improving hygiene and living standards through fresh supply, electricity and gas utilities.
11. Development and urbanization of rural community by assisting local bodies.
12. Welfare and upliftment of rural community.

The vision of this organization is to advance the socio-economic status of our nation. It is committed to allocate funds equivalent to 0.75% of net profits of the previous year towards socio-economic development programs every year. It is making significant contributions, both in the areas of its operations and the nation at large. It has donated Rs. 10 million for setting up a modern Intensive Care Unit at the Cancer Institute, Adyar in Chennai. It has also contributed Rs. 20 million to the PM's Relief Fund for the earthquake relief work in J & K.

ONGC has well laid out, clearly defined Corporate citizenship policy. ONGC group of companies, as a corporate citizen is focused on promotion of vocational education, healthcare and entrepreneurship in the community coupled with initiatives in water management and disaster relief in our country. In recognition of these initiatives, The World Council of Corporate Governance conferred the Golden Peacock Award to ONGC for 'Corporate Social Responsibility in Emerging Economies-2006' at the 7th International Conference on Corporate Governance held in May 2006 in London.

CSR and NTPC

NTPC is one of the giant sized power company in our country. It meets the power need of India and helps to grow in all ways.

As a responsible corporate citizen, this company shoulders a wide range of social responsibilities and community development initiatives. It includes environmental protection, afforestation, distributed generation programme, providing facilities for education and health in rural areas and relief for victims of natural calamities. This company has also setup NTPC Foundation for creating sustainable self-employment opportunities for physically challenged persons.

This company is committed to help the people who are displaced because of execution of its projects and has been making efforts to improve the socio-economic status of the project affected persons. In order to achieve its social objective, it has

focused on effective resettlement and rehabilitation of such project affected persons and community development works in the surrounding areas of the projects. It has formulated policies, at par with the 'National Policy on R & R' of Government of India.

This company has also formulated and adopted CSR-CD policy for carrying out CSR activities in remote rural areas adjoining the company stations, which are socio-economically backward and deficient in basic civic amenities. Under this policy, company is providing financial support essentially in the areas of primary education, community health, basic infrastructure development and vocational training, etc. in rural areas. As a part of this policy, it has started Quality Circles and established District Disability Rehabilitation Centres in the nearby villages of the company stations.

The Global Compact of UN is the largest voluntary corporate responsibility initiative, with nearly 2000 companies participating from over 80 countries. This company is an active member of Global compact and committed to achieve the principles of this compact.

As a part of the CSR activities, this company has been taking up Distributed Generation Projects for the past two years. The NTPC power stations are generally located in remote areas spread all over India, where the status of infrastructure is negligible. The rural electrification is very essential for socio-economic development of rural India. Distributed generation includes setting up of small generations of about 10 kw capacity at or near the end-user to provide the electricity needs. NTPC has experimented successfully with setting up of small power-generator based on bio-mass collected from the village. This company has entered into an understanding with TERI for implementation of distributed generation projects in villages in India.

This company has setup a foundation viz., NTPC Foundation for addressing the niche domains of social development at National level with special focus on physically challenged persons. As they are neglected in the society, NTPC has taken initiative to help them by giving loan for implementing income generating schemes which will help them to stand in their own legs.

It also cares for the education and health of the community. It contributes towards community development in and around the NTPC stations by providing infrastructural development as well as providing educational and medical facilities to people in the society. Some of the activities are : Facilitating primary education through adopting schools, provision of equipments and aids for education, special programme for girl education, running adult education centre for rural men and women, scholarship and

sponsorship for the needy and deserving children and encouragement and promotion of rural culture and sports. The medical facilities include – organizing medical camps, free eye camp, ENT Camp, general surgery camp, family welfare camp, camp for physically handicapped, camp for leprosy patients, associating with government sponsored national programmes like TB, Polio, Malaria eradication etc., conducting awareness campaign on immunization, AIDS, diabetes, hazards of smoking and alcohol etc. and providing assistance for the upliftment of medical facilities in the society.

The NTPC has made a contribution of Rs. 65 million to Uttaranchal Forest Trust Hospital, Haldwani for purchase of advanced medical equipment. It has also made a contribution of Rs.30 million to the government of Uttaranchal to create an NTPC Chair to serve as Director of Centre of Excellence in Public Policy, Regulatory and Strategic Studies in the School of social sciences. In June 2006, it has committed a financial assistance of Rs. 22.50 million to Hyderabad Research Foundation for establishing special services at Bhubaneswar Eye Institute.

To conclude, Corporates in India both public as well as private organisations are striving to improve the public image of business. Most of these organizations believe in being and becoming good corporate citizen. From the above facts, it can be seen that the value of giving back to the society is very vital for their success. CSR is no longer mere philanthropy, it is an indispensable one for sustainable development. Hence these organisations have developed a multi-dimensional framework for fulfilling its social responsibility. According to the views of chairman, BPCL, the challenge for successful company in Indian and global economy is to build and maintain efficient, effective and fair relationship with its global and local stakeholders. He also mentioned that an increased brand value, greater access to finance, stronger risk management, and corporate governance, healthier and safer work place, motivated people, customer loyalty and enhanced confidence and trust are the benefits of excellent CSR.

Reference:

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