

CSR Initiatives of Selected Companies in India: A Study

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Abstract: Corporate social responsibility (CSR) refers to a business practice that involves participating in initiatives that benefit society. Companies should undertake different CSR activities with an intention to make significant social impact but there can be another reason behind CSR activities undertaken by the companies. This paper highlights CSR Initiatives of companies like TATA, HPCL, SAIL, which includes facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects. CSR has become the need of growing business. CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the company's business expertise. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc.

Keywords: Corporate Social Responsibility- CSR initiatives, Challenges of CSR.

1. INTRODUCTION

India is a welfare state. But with the passage of time Indian government has adopted liberalisation, privatization and globalization. Public sector has slowly shifted to private one. Therefore, the new concept of Corporate Social Responsibility [CSR] means a corporate sector shall perform such welfare function towards society which is necessary for maintaining the social interest of the society. India has a history of having a compassionate attitude towards environment. But with the passage of time the ethical values towards society have degraded as a result of which judiciary intervened so as to protect the environment. A concept known as corporate social responsibility emerged in the light of right to pollution free environment and the constitutional duty to protect and improve the environment. In order to realise the constitutional objective of protecting environment the concept of Corporate Social Responsibility was recognised in the legislative enactments. The paper introduces the concept of Corporate Social Responsibility and the sustainability commitment towards environment protection.

Section 135 of the Companies Act, 2013 deals with. Corporate social responsibility and Schedule-VII of the Act lists out the activities which may be included by companies in their CSR Policies. The activities relating to "ensuring environmental sustainability", are listed in this schedule. Further, Ministry of Corporate Affairs has also notified the Companies (Corporate Social Responsibility Policy) Rules, 2014

Objectives:

The Objective of research paper is to understand CSR activities undertaken by three companies namely TATA, HPCL, SAIL, It also aims at understanding and evaluating the reasons behind the strategic CSR initiatives.

Methodology:

The research methodology used for the paper is secondary in nature. Case based method has been used to research about the given context. Data collected from articles of research journals, books, and prominent sites.

2. CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The emerging concept of corporate social responsibility goes beyond charity and requires the company to act ethically in the company's business affairs. The triple bottom line approach to corporate social responsibility emphasizes the company's commitment to operating in economically, socially and environmentally sustainable manner. CSR is based on the idea that successful profitable corporations should take the responsibility for social issues and manage their business in such a way that maximises profit and stockholder wealth while also contributing to the resolution of the social problems. The concept involves notions of human welfare and emphasizes a concern with the social dimensions of the business activity that have direct connection with the quality of life in the society. The word responsibility implies that business organisations were believed to have some kind of obligation towards the society in which they functioned to deal with the social problems and contribute more than just economic goods and services. It is a concept whereby the companies integrate social and environmental concern in their business operations and in their interactions with the stakeholders on a voluntary basis. The main function of an enterprise is to create value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as the welfare of the society, particularly through the on going process of job creation. Social responsibility implies the acceptance of a moral imperative to recognise the duties and obligations arising from a company's relationship with customers, suppliers, employers, shareholders and society at large beyond consideration of profit. It refers to business decision making linked to the ethical values, compliance with the legal requirements and respect for people and communities and environment.

In the words of Carroll and Buchholtz, the corporate social responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on the organisations by the society at a given point of time.

According to Brown H.R, social responsibility is defined as, "the obligation of a businessman to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of the society.

The Companies Act 2013 mandates that from 1 April 2014, certain larger companies will:

- Be required to spend at least 2% of the previous 3 years' average net profits on CSR activities on projects or activities from a set list of possible activities (see Schedule VII to the Companies Act 2013);
- Be required to 'comply or explain' the expenditure and any shortfall below the 2% threshold;
- Set up a CSR committee of the board of 3 or more directors, whose members will include at least one independent director; and
- Ensure the board establishes a policy for CSR within the company and will report on the CSR activities.

3. CHALLENGES TO CSR INITIATIVES IN INDIA

The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time. A lack of understanding, inadequately trained personnel, non availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. further adds to the reach and effectiveness of CSR programmes. But the situation is changing. CSR initiatives face many challenges in India and are often seen as deterrent to even the best-intentioned plans. The most important ones are mentioned here.

1. Lack of Community Participation in CSR Activities
2. Need to Build Local Capacities
3. Issues of Transparency
4. Lack of Consensus
5. Linkages between Business and Society

4. CSR INITIATIVES OF SELECTED COMPANIES

CSR of TATA:

The Tata Council for Community Initiatives (TCCI) is a unique initiative that lends structure to the Tata group's approach of sustainable development while driving its community engagement and improvement programmes (Uvais and Cholasseri, 2013). The healthcare projects of Tata Steel include facilitation of child education, immunization and childcare, plantation activities, creation of awareness of AIDS and other healthcare projects. Tata Steel has hosted 12 Lifeline Expresses in association with the Ministry of Railways, Impact India Foundation and the Government of Jharkhand (Srivastva et al., 2012). It has served over 50,000 people. Five thousand people have received surgical facilities and over 1,000 people received aids and appliances (Srivastva et al., 2012). Tata Steel has also covered 42 villages in Gamharia block in Seraikala Kharsawa for promotion of SHGs (Srivastva et al., 2012). In Pune, the TATA Trust is collaborating with several NGOs in assisting employees' women dependents in terms of providing medical care, short-stay homes. In the area of educational support, it has initiated a scholarship program called 'Vidyadhanam', which supports 211 students. It has entered into the sector of skill development through upgrading ITI on Public Private Partnership (PPP) model. In Kerala, TATA has set-up Srishti Welfare Centre, which provides education, training and rehabilitation of children and young adults. TATA Steel has been awarded Corporate Social Responsibility Excellence Award in 2010 by Associated Chambers of Commerce & Industry of India. Even Tata Consultancy Services (TCS) bagged Community Awards for Excellence in Category for Adult Literacy Programme in 2011. During natural calamities, TATA Relief Committee provides relief in terms of rehabilitation and relief measures. Tata has collaborated with UNDP for developing Tata Index for Sustainable Human Development, which aims at directing, measuring and enhancing community welfare activities initiated by it (Srivastva et al., 2012).

CSR of Hindustan Petroleum Corporation Limited:

The CSR activities of Hindustan Petroleum Corporation Limited (HPCL) have been based on creating shared value. The programs of CSR of HPCL are more oriented towards education and healthcare of communities. They cater to not only general mainstream population but disabled children also. In terms of childcare, it has collaborated with Child Rights and You (CRY), an NGO for improving the lives of under-privileged sections of society. Even a programme called "Muskan (Smile)" aims at providing basic needs like food, clothes, healthcare and vocational training. It also provides time-bound computer training program to students in semi-urban and rural schools. During the year 2011-12, the project was implemented in 30 schools in different parts of India covering 5500 students as beneficiaries of this program. In the same year, another sub-set of CSR program named *Nanhi Kali* (Girl Child) has covered 9168 female children from Standard I to X. The programme provides quality education to girls from economically disadvantaged families through a sponsorship, designed to deliver academic support that empowers them to make a success of their schooling experience, material support including uniforms. It has also started a project called *Navjyot* in 2005 in coordination with Navjyoti India Foundation, New Delhi for facilitating the residents of Bawana resettlement colony, Delhi in terms of Child Health and Welfare Program. Furthermore, it intervened into the area of HIV testing also through establishing project *Suraksha*, which aims at testing of patients for HIV/AIDS. They provide vocational training among youths in developing IT skills, skin care and beauty culture. In terms of livelihood, HPCL has initiated the work in the area of lighting abillion lives. Under ADAPT (Abled Disabled All People Together) programme, children with special needs are assisted for in receiving education. In terms of healthcare, it has made provision for testing of truck-drivers for HIV under *Suraksha* program. It also provides free rural health care services by operating mobile medical units (Priya and Autade, 2013). In terms of skill development, HPCL has initiated *Swavalamban*, a project, which enables rural youths to be self-employed (Priya and Autade, 2013). In the sustainable model of energy, it has intervened solar lighting- Lighting a Billion Lives — The LaBL program sets up solar charging stations in villages that offer certified, bright, solar lanterns for rental to the local people (Priya and Autade, 2013).

CSR of Steel Authority of India Limited:

Steel Authority of India Limited (SAIL) has been contributing towards the development of society through various community welfare programs. It has provided access to nearly 7.3 million people across 435 villages by constructing roads and ensuring availability of water resources to 3.9 million people SAIL has adopted 79 villages in eight states for comprehensive development as Model Steel Villages. In 2008-09, it has opened 138 schools for providing education to 73,925 students. SAIL has also set up six special schools exclusively for the poor, underprivileged, below poverty line (BPL) children at its five integrated steel plant locations covering around 1,400 children providing free education, midday

meals, uniform, including shoes, textbooks, stationery items, school bag, water bottles, etc. SAIL has contributed immensely to the economic development of its peripheral areas. It is making special efforts to initiate new projects in the area of road connectivity, construction of bridges/culverts, and access to improved water sources. In terms of water availability, it has provided access to drinking water to 3.9 million people through installation of 5,153 water sources in India. In terms of education, SAIL has established about 146 schools in its steel townships to impart modern education to more than 69,000 children. It has also established 54 primary health centers, 12 reproductive and child health (RCH) centers, 17 hospitals and 7 super-specialty hospitals to provide modern health care to more than 30.60 million people.

5. CONCLUSION

The aim of the paper was to understand how CSR is undertaken by companies as a measure of social commitment of a businessman or a social obligation or moral or ethical responsibility or a corporate social philanthropy. In order to get a detailed overview into the subject, a review of literature was carried out and case studies pertaining to TATA, HPCL, SAIL, were examined. It is still debatable as to how much of the money spent on CSR initiatives genuinely helps communities, the extent to which the money can take credit for social outcomes and what more could the companies do to make the money go further and develop deeper relationships with those communities in need. CSR should be extended to something beyond the 2% mandate of Law and create greater impact on society at large.

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