

Corporate Social Responsibility-An Initiation for an ERA of Sustainable Development

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Abstract—Corporate social responsibility is the way companies manage their businesses to produce an overall positive impact on society through economic, environmental and social actions. Many Indian companies have had a legacy of investing in social development much before the concept of CSR was known. But much of these activities were considered as charity and donations. CSR is a strategy based approach designed to bring about a holistic change. Introduction of Companies Act, 2013 made CSR a mandatory provision. This study will comprise the CSR activities of three such corporates from varied industries such as Infrastructure, pharmaceuticals and banking. This includes practices of GMR Infrastructure limited, Dr.Reddys laboratories and ICICI Bank limited and mapping them against the provisions of sec 135 of Companies Act, 2013

Keywords: Companies Act, strategy, change management

1. INTRODUCTION

Every organisation is directly or indirectly controlled by the society in which it operates. It can never work in isolation. Though earning profits is the major determinant for business, corporate houses have been striking balance between meeting their organizational goals and investing for the betterment of society. Though corporate social responsibility has gained popularity in the recent past the concept is not new. Based on the Gandhiji's principle of trusteeship, every company has to take care of the welfare of the society as it serves as the reason for existence of any business. Society allows companies to make use of the resources available so that it creates a positive impact in a two way though few companies in India have contributed much to the society in the past, this was recognized majorly as a philanthropic activity such as charity and donation. Anything given free is not valued. Hence in the long run these activities have lost their major focus and the impact they created was minute. In the long run after globalization, organizations have realized that functioning in the society for a long term stabilized growth cannot happen only through innovative products. New products can sustain the business only for a short term period. Organizations need to have long lasting relations with the society for it to compete with others in the market. Corporate social responsibility is seen as a way to create competitive advantage.

After introduction of the Companies Act, 2013 Corporate social responsibility has become a mandatory affair for certain companies. Sec 135 of the Act deals with Corporate social responsibility. This provision has been brought into force with few amendments and guidelines to make CSR activities more standardized and reported for better recognition.

2. NEED OF THE STUDY

Organizations have taken up many activities in the areas they operate and also have made a huge difference in their approach compared to earlier initiatives. India has committed itself to work for achievement of millennium development goals along with other countries. CSR is a major contribution towards such a global initiative. We need to understand the progress of India towards this massive undertaking. Another aspect which can be analyzed are the various reasons for Government of India to make the provisions of sec 135 a mandatory compliance for companies. Also what part of these CSR activities are contributing towards the economic development of the country as a whole.

Scope of the study-his study is restricted to the companies in Indian context.

It majorly highlights the various CSR practices of companies around Hyderabad.

This paper will comprise the CSR activities of three corporates from varied industries such as Infrastructure, pharmaceuticals and banking. This includes practices of GMR Infrastructure limited, Dr.Reddys laboratories and ICICI Bank limited.

Data is collected from both primary and secondary sources.

Objectives of the study-The purpose of this study is:

To examine how these three companies view, and conduct their CSR.

To Identify of their key CSR practices and map these against Sec 135 of Companies Act,2013 .

Nature of the study and methodology-This study is majorly qualitative in nature. It is based on descriptive and explanatory

information. It includes a comparative study of CSR activities of companies in three industries. Data has been collected partly from primary sources and partly from secondary sources. Companies website has been used to collect most of the data and few insights from csr personnel also was taken for the study.

3. REVIEW OF LITERATURE

(Michael E.Porter, 2006) Porter states that corporate social responsibility must be in alignment with a company's strategy and if it is seen as a distinct concept the perceived value of such activity will be reduced. Although companies have done many social and economic activities to the society they could not give a productive result cause of this differentiation. One of the reason for companies not being successful at such undertakings is that, CSR activities force the companies to come out with approaches in a generic way rather than feasibility to the firm. The existing approaches to csr if well connected with the firms strategies can act as the biggest competitive advantage for the firm. If a company tries to come out with initiatives which is beneficial to the society as well as the company the outcome will be a positive one when compared to activities taken up just as a mere societal pressure.

(Revathy, 2012) The article brings out various factors that is influencing companies to contribute towards society such as sustainable development, better governance, corporate ethics and so on. Along with good customer relations firms who implement CSR also have the benefits of better market position, enhanced operational efficiencies, manage supply chain in a better way. It reflects upon the 2 dimensions of csr that is internal dimension which includes HRM, safety measures in work place and external dimension includes local communities and business partners.

(Sawant, 2014) CSR initiatives by a pharmacy unit will have a dual impact of improvising the health conditions of people in rural India and also contribute to the development of global medicine. This article portrays the need for accountability of csr activities and a measuring basis for such activities. Many pharmaceutical companies do not have a proper CSR policies and do not follow any approach. This is not allowing us measure the actual impact of CSR on society. Indian pharmaceutical industry is one of the most organized sectors and if CSR is taken up in a right way by such firms the results they create can be huge.

Limitations of the study-This study is restricted only to companies in India. And the sampled companies represent a minor portion of the impact of CSR activities taken up by other companies in the industry. These companies may not give a perfect overview of whole of the industry in which they operate. The focus areas of CSR activities of these companies may be different which may not allow comparison possible to a full extent.

4. CSR ACTIVITIES OF GMR INFRASTRUCTURE LIMITED

GMR infrastructure limited is a global company well known for construction of airports, highways and urban infrastructure which includes SEZ. It was established in the year 1978 which started as a conglomerate is currently making international presence.

GMR Varalakshmi foundation is the csr unit of this company. The foundation was started with an objective of serving the local community in which they operate that is usually around the airports. It is a nonprofit organisation which is currently spread across 23 locations in India. Their vision is to be a model CSR organisation. They intend to make a difference in the lives of the poor with humility, empathy and compassion. Based on values the foundation is committed to their mission of improvising the standard of living of rural India. One of their core value is respect for individual which forms the basis for their policy making in the organisation.

The main areas which the organisation concentrates upon are education, health hygiene & sanitation, empowerment & livelihoods and local community development.

Education-GMRVF has taken steps to bridge the gap for providing quality education to the children of government schools. Trained teachers are sent to schools where there is shortage of staff. Various schemes such as the computer application learning, language learning, e-learning centers are introduced to the students. Career counseling sessions, motivational lectures are given in schools to encourage children to continue their education and to reduce the dropout rate. School renovation activities are being taken up in government schools.

Health-The main activities taken up under this are making available medical services at door step for the convenience of the needy through mobile medical unit. Evening clinics are set up for daily wage laborers who cannot access medical assistance during day. An advanced nutrition centre has been established to adhere to the needs of the pregnant women such as the nutritious food, counseling about child diet and complete immunization. Purified drinking water is provided through RO plants set up at various villages.

Empowerment-Vocational skills are imparted to college drop outs among rural youth such as plumbing, two wheeler repair and service, mobile repairing etc. Women are given training in tailoring, computer application and beautician courses. The foundation has many partners such as Voltas, Vlcc, Hero motor corp. which assists them in giving placements to these trained candidates. It thus generates many employment opportunities for the youngsters. One of the main feature they have which is the basis for their successful journey is an in house csr site which provides residential training to all beneficiaries with a curriculum drawn especially for the trainees.

Community development-This includes providing clean drinking water to the villagers, construction of public toilets and so forth.

GMRVF has won the best CSR practices award in the year 2014 from Government of India. This is just one of the many recognitions the group has been appreciated for their continuous contribution towards social well being of the society.

5. CSR ACTIVITIES OF ICICI BANK LIMITED

ICICI foundation for inclusive growth is the CSR arm of ICICI bank limited founded in the year 2008. This foundation works towards upliftment of community through developing education facilities, providing primary health care and skill development initiatives among rural youth. All these projects are started with pre determined targets which have a long lasting impact on the beneficiaries. It works in coordination with government organizations and other NGOs to implement their initiatives.

ICICI foundation is continuously taking steps towards taking the lower income population towards a better economic status of the nation. They believe in creating opportunities which provide the rural society a way of earning their living. The primary core areas the foundation is operating are primary healthcare, elementary education, skill development & sustainable livelihood and financial inclusion.

Healthcare-Many unique programmes were introduced which looks after the welfare of outpatients, mother & child nutrition, healthcare for truck drivers in collaboration with various private and government agencies. They aim to provide quality healthcare facilities and also reduce out of pocket expenses for the below poverty line sector.

Education-The group works to provide a positive learning environment for the children at government schools across all the states. Such as training the teachers, developing new modules, using technology to make the learning process more effective.

Skill development-The main idea was to create an employment opportunity for rural youth by providing them with vocational skills training, providing them with opportunities to earn their daily bread.

Financial Inclusion-These initiatives are towards providing banking services to the unbanked people and make them understand the importance of such services and their impact. It is mainly to educate the rural population about the advantages of financial services.

Along with all these above focus areas the foundation also has many other initiatives such as blood donation camps, joy of giving programme, ICICI fellows youth leadership programme and so on. Overall the organisation has made a huge impact for improving the living conditions of rural sector and a great contribution to the nation.

6. .CSR ACTIVITIES OF DR.REDDY'S LABORATORIES

Dr. Reddy's laboratories is one of the leading pharmaceutical company in India which was started by Dr. Anji Reddy in the year 1984. It has its presence globally felt as the fastest generic pharmaceutical companies. Their belief is Good health can't wait which makes the customers trust their products.

Dr. Reddy's foundation is a nonprofit organisation which was established in the year 1996. It takes care of all the social initiatives the company plans to take up as aligned in their business strategy. It works in satisfying the goals of individuals, groups and organization as a whole. The core areas in which it has taken initiatives are education, health care, infrastructure, employee involvement, livelihood and disaster relief.

Education- The main activities are empowering students by creating an opportunity to learn, recognize their inner talents and encourage their growth. They create an environment to make learning interesting by providing necessary infrastructure facilities.

Health care- The company works for fulfilling their vision of health for all by providing access to quality healthcare in remote villages.

Employee involvement- The employees of the company are encouraged to bring into light the problems they recognize and to tackle as to how to reduce or remove that issue. Through SEVA (social engagement for voluntary action) all the employees contribute the csr activities of the company.

LABS-Their unique program known as the LABS (Livelihood advancement business school) works for providing employment opportunities for their sustenance. LABS presently operates in 75 locations across 18 states throughout India. Around 3 lakh youth have been trained and placed in jobs so far. Candidates are trained in classrooms by qualified professionals and industry experts. Along with this they have practical knowledge impartation using technology aids for teaching and industrial visits for better exposure.

LABS also started persons with disability program to help candidates overcome their weakness and earn their livelihood. The foundation identifies their abilities and gives training to further improve such skills which can place them in various jobs according to their individual capacity. The trainers conduct awareness camps to instill the confidence in the students so that they may come out successful in their trials to have a better career. LABS has partnered with many corporates who prefer to take these candidates for work as they see lot of potential and enthusiasm in them. LABS also works for upliftment of rural livelihood works.

Disaster relief-Another highlight of the group activities is providing assistance in the time of adversity. They ensure supply of basic necessities like food, water, shelter and

medication which is part of immediate impact program. Under the rehabilitation program the foundation provides financial support and necessary infrastructure assistance to the effected people.

Dr. Reddys foundation has always believed in the growth of community along with company and has always strived for achieving the same.

7. OBSERVATIONS/ FINDINGS OF THE STUDY

The study shows that all the three organizations have efficient CSR policies and practices which are determined by CSR committee formed as per requirement under sec 135 of the Companies Act, 2013. All the csr activities are being implemented by a separate foundation which is established by the company. The focus areas for the organizations are almost the same which is education, health, skill development and community development.

8. CONCLUSION

India being a country where the population lives in rural sector is majority, the csr activities of these corporates is a way to determine the journey of such sector towards urbanization. This really shows the transition of India from a developing country to a developed one. Companies though have taken up initiatives much earlier, the new law has made this progress more streamlined and effective. The impact csr is creating in the recent years is just a beginning of the long way of bridging the wide gap between the upper income class and lower income or no income class of the society. This work of such corporates must be taken as a benchmark for rest of the society and walk towards seeing a better India to live in.

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