

Corporate Social Responsibility: Initiatives taken by various Public Sector Companies in India

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Abstract—In recent years, the concept of corporate social responsibility has gained prominence from all avenues. Organizations must realize that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept - Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. The idea that corporations bears a responsibility that stretches beyond their shareholders is not new. The field of corporate social responsibility (CSR) has grown exponentially in the last decade. Nearly all leading organizations in India are involved in corporate social responsibility (CSR) programs in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the society. And when we talk about Public Sector notable initiatives have been taken by Indian Oil Corporation, GAIL, IIFCL and SIL among others. An attempt is made in this paper to comprehend and gain insight into the initiatives of public companies towards various aspects of social contribution.

Keywords-Corporate social responsibility, Public Sector and Society.

I. INTRODUCTION

Globally, the business scenario has been undergoing an unprecedented changes leading to evolution of innovative strategies. Organisations are increasingly realising that their operations have a large impact on not only stakeholders like employees, shareholders, suppliers, customers but also on members of public sphere, communities and environment. It is considered to be the moral responsibility for an organisation to take care of the surroundings and people whose lives are being impacted by its operations.

Every business enterprise must take responsibility and be accountable for the social and environmental effects it has in its surroundings. Through this the concept of Corporate Social Responsibility (CSR) emerged, paving a way for businesses to return back to the society from the profits it earns. Such initiatives on the part of a company to improve livelihood of people and preserving environment at surroundings of its operations also go a long way in gathering acceptance from local communities.

Engagement of local communities is essential for long-term sustainability for any organisation. This also ensures

enhancement of triple bottom line of People-Planet-Profit, depicting the inclusive growth for an organisation. CSR is the way to move forward for all organisations and become good corporate citizens by preserving the environment and bettering lives of all stakeholders.

II. CORPORATE SOCIAL RESPONSIBILITY(CSR)

A. Defining CSR

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and to contribute to nation's economic development while improving the quality of life of the workforce and their families as well as of the local communities and society at large.

The European Commission's definition of CSR is: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." According to CSR Asia, "CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders." The rationale for CSR has been articulated in a number of ways. In essence it is about building sustainable businesses, which need healthy economies, markets and communities. However, various definitions of CSR cover various dimensions including economic development, ethical practices, environmental protection, stakeholders involvement, transparency, accountability, responsible behavior, moral obligation, corporate responsiveness and corporate social responsibility.

B. Benefits of CSR to business

- **CSR Business Benefit - Employees**

There are many potential benefits for a business from being involved in a CSR programme, in terms of its impact on the organisation's employees. Examples are as follows: Working in a new environment, employees will possibly be learning new skills. These might be transferrable skills to their own organisation which will prove to be beneficial and they might spark off some innovations which may result in some positive changes. The theory is that this commitment to a

higher standard of performance stimulates a search for new and better ways of doing things. Many employees are pleased to work for an organisation that is keen to be involved in CSR activities; this often helps in the retention of such staff. Similarly, they will tell friends and family about such activities (thereby recommending the organisation they work for to others), and as a result, the recruitment of new employees can be made easier. Indeed, some organisations refer to their CSR activities in their recruitment adverts. Employees can feel motivated by working with good causes and helping with community activities, with the result that their morale improves and consequently their performance. Linked with the previous points, the culture of an organisation can change and be improved; as such activities become an acceptable way of behaving in the responsible organisation. In some CSR activities, employees from different departments and levels learn to work together, which improves their workplace collaboration. Essentially, employees want to be confident that the organisation they work for shares the same values as they do. An important point therefore is that internal communication from the management does reinforce the desire for a specific type of behaviour and the potential results of that behaviour.

- **CSR Business Benefit - Reputation**

The importance to an organisation of its reputation and brand has grown significantly over the last few years and so it has become important to find ways of achieving this. CSR programmes can provide many opportunities to reach an organisation's stakeholders with important messages. Reputation Management is now recognised as being an important element of business management and the CSR involvement is often an important way of managing reputational risk. In some cases businesses are targeted by activists uncomfortable with aspects of their business operation. It is in their interests to behave responsibly as the costs of reputational damage can also be significant. CSR is also relevant to companies whose customers may switch to another supplier. In some cases organisations need to introduce CSR activities to retain their customers'/consumers' support. Organisations often look for a good cause or project to be associated with, so as to enhance the public's awareness of the cause, but also to increase their own reputation for involvement in the community. This increases goodwill towards the organisation and often results in the logos of both organisations being branded together. This enhances public awareness and goodwill for the cause. Organisations need to be aware of the needs and concerns of all their stakeholders, such as employees, customers, suppliers and partners. It is important that their actions and behaviour do not counter the views of the stakeholders, who themselves can determine what is acceptable behaviour. In practice, customers can choose to buy similar products elsewhere if they are not happy. This reinforces the need for the reputation of the organisation to show it to be responsible. The perceived reputation of an organisation with its stakeholders needs to be one of a responsible company building a culture for community work and assistance in the

community. It needs to be seen to be having a real impact on social change, which may involve corporate philanthropy as well as non-cash/in-kind donations.

- **CSR Business Benefit – Marketing**

It is always important for an organisation to be looking for new customers and for the retention of their current customers. In some cases CSR activities provide ways of promoting the business and its products and services to its customers and other stakeholders. In Annual Reports, which will go to all an organisation's stakeholders, including its key customers, mention will be made of its behaviour and activities in the community. Products themselves can be used to showcase an organisation's responsible business practice, which in itself gives customers another reason to buy the product, as well as its price and availability. This would incorporate the logo of the organisation, together with details of the cause, which might be CSR. This, in itself, can help to improve customer and consumer loyalty.

- **CSR Business Benefit - Direct Business Benefits**

There are many things relating to CSR that organisations do which can have direct business and financial benefits. While minimising the direct costs of doing aspects of business, which make them more socially responsible, the result can be increased efficiency and reduced costs of materials. The organisation becomes greener and is perceived as such, while it reduces its expenditure and potentially increases profitability and growth rate. Influencing others' behaviour can result from CSR activities, if the others support such CSR activities. This can be relevant for businesses actively building relationships with key stakeholders and can reduce regulatory oversight if the organisation builds the authorities' confidence in the business. It is even possible, if they are perceived to be very responsible, for organisations to anticipate societal issues and can therefore influence the overall direction of legislation and public debate. Socially responsible behaviour improves the organisation's opportunity to get access to finance from authorities and individuals as investor confidence is increased. Similarly, organisations can increasingly build important partnerships and relationships (with e.g. employees, suppliers, communities and shareholders) if they are perceived to be responsible, which in itself helps its competitiveness. There are direct business benefits for organisations making environmental improvements in their activities which improve performance and increase profitability. This helps their relationships with environmental authorities and improves their general image. In some cases they can then charge a price premium or increase market share in environmentally conscious markets.

III. INITIATIVES TAKEN BY PUBLIC COMPANIES IN INDIA

A. *Indian Oil Corporation*

At Indian Oil, corporate social responsibility (CSR) has been the cornerstone of success right from inception in the year 1964. The three thrust areas of the Corporation's CSR

initiatives are ‘Clean Drinking Water’, ‘Health & Medical Care’ and ‘Expansion of Education’. As a constructive partner in the communities in which it operates, Indian Oil has been taking concrete action to realize its social responsibility objectives, thereby building value for its shareholders and customers. The Corporation respects human rights, values its employees, and invests in innovative technologies and solutions for sustainable energy flow and economic growth. In the past five decades, Indian Oil has supported innumerable social and community initiatives in India. Touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programs. The activities undertaken under the above three thrust areas are as under:

- Providing Clean Drinking Water: Installation of hand pumps/bore well/tube wells/submersible pumps, construction of elevated water tanks, providing water tap connection, rainwater harvesting projects/kits, aquaguard water purifiers/water coolers to schools/community center etc.
- Health & Medical Care: Organizing Medical/Health Camps on Family Planning, Immunization, AIDS awareness, Pulse Polio, Eye, Blood Donation, Pre and Post-natal Care, Homeopathic Medicine etc., distribution of free condoms, providing anti-mosquito fogging treatment, toilets, medicines to primary health centres, mosquito nets, ambulances to Medical Centres/Hospitals/NGOs, hearing aids/wheel chairs to physically challenged, financial assistance to hospitals, medical equipments etc.
- Indian Oil (AOD) Industrial Training Centre, Digboi: Industrial Training Centre at Indian Oil (AOD)-Digboi, under the aegis of National Council for Vocational Training (NCVT), offers 68 seats in various Industrial Trade disciplines. It offers a 3-year fresher trade course and specialization in fitter, electrician, turner, mechanic jobs. After completion of training, students become eligible to appear in All India Trade Test conducted by NCVT. On successful completion, students are awarded National Trade Certificate in the respective trades by NCVT. Indian Oil also assists students for placement in many Public & Private sector organizations. Since inception, 1126 students have successfully completed various courses at this centre and have been absorbed in various Public & Private sector organizations.
- MOC With TATA Institute of Social Science, Mumbai: A Memorandum of Cooperation (MoC) was signed between Indian Oil and Tata Institute of Social Science (TISS) to conduct Baseline Survey in about 280 villages in the vicinity of 40 units/locations of Indian Oil across 21 states for Impact Assessment of various CSR projects and other CSR activities. The MoC will be valid for 24 months.
- Expansion of Education: Providing financial assistance to schools for construction/renovation/repair of hostels, school

buildings, classrooms etc., computers to schools, books, furniture, laboratory equipment, awards to meritorious students, scholarships to poor students, adult literacy programme, delivery vans for distribution of mid-day meals to Govt. School children, sponsoring/organizing rural sports/games, sports meets/events, supporting education and research activities etc.

B. IIFCL (India Infrastructure Finance Company Limited)

IIFCL, a Public Sector Undertaking, has taken its obligation to the society and the people in need especially in under developed areas including tribal villages with special emphasis in the surrounding areas of the projects financed by IIFCL. While the States have been carrying out a number of development projects, IIFCL on its part likes to participate / contribute and makes its presence in social, economic, infrastructural, educational, cultural activities etc., development for augmenting the quality of life of people across the country.

Areas of Focus

Skill Development for sustainable income generation & Livelihood

- a. Skill development training for unemployed youth for better employability & to promote self-employment.
- b. Vocational/ technical/professional training for youth for ultimate support to the projects for hiring skilled youth.
- c. Promote enterprise development
- d. Promote self-help groups

Literacy / Education

- a. Construction / repair of school buildings & facilities including boundary walls, separate toilets for boys & girls and provision of drinking water.
- b. Provision of uniforms, books, stationery, computer & Laboratory equipment etc., to schools.
- c. Scholarships/fellowships to deserving students to encourage education.
- d. Promotion of adult education with focus on women’s education etc.,
- e. Reducing the drop out of students & absenteeism through counseling & other means.
- f. Promote computer literacy and technology assisted learning.
- g. To set up/ promote higher education through special coaching/inputs to bridge the gap.
- i. To promote Technical/ professional/ medical education by giving financial assistance / opening institutions through Organizations/ infrastructural support.

Safe Drinking Water /Health care & Sanitation

- a. Provide safe drinking water by sinking bore wells, tube wells, establishment of water treatment plants etc..
- b. Preventive and promote health care through mobile medical vans etc.,
- c. Nutritional supplements to lactating mothers, children, adolescent girls and pregnant women.
- d. Health awareness campaigns on serious/chronic diseases.
- e. OP/IP treatment including operations at project hospitals
- f. Organising periodic health camps
- g. Offering specialized support services to the physically handicapped and mentally challenged people
- h. Veterinary medical support
- i. Promotion of sanitation through proper drainage system and construction of toilets
- j. Assistance for establishment of Hospitals/Medical Colleges etc.

Infrastructure Development

- a. To promote water shed development /water harvesting /water conservation measures.
- b. Development of roads, bridges, markets, transport facilities, community welfare centres, beautification of towns, cities, other civic amenities etc.
- c. Promote use of non-conventional energy.
- d. Electrification of Public buildings in villages.

C. GAIL (India) Limited

At GAIL, Corporate Social Responsibility is: "Continuing commitment for operating our core businesses in a socially responsible way, complemented by investment in communities, so as to produce an overall positive impact on society".

GAIL has taken initiatives in various societal concerns like Health Care, Empowerment, Infrastructure, Community Development, Educational Aid, Sanitation and Environment. Among the above cited areas an example has been given below:

Recently GAIL (India) limited has taken initiative for the students who belongs to backward strata where the initiative was taken by 23 students of the GAIL under Utkarsh-flagship programme at Kanpur. Under this programme, 100 students belonging to the economically backward strata of the society were provided with a free residential coaching programme for the AIEEE/JEE entrance exams. The training and expert coaching was provided under the mentorship of Shri Abhyanand for 11 months. In the new pattern started by JEE Test, 81 students cleared the main exam of IIT JEE.

D. BHEL (Bharat Heavy Electricals Limited)

BHEL's contributions towards Corporate Social Responsibility till date include adoption of villages, organizing free medical camps/supporting charitable dispensaries, schools for the underprivileged and handicapped children, providing aid during disasters/natural calamities, providing employment

to handicapped and Ex-serviceman, rainwater harvesting, plantation of millions of trees, energy saving and conservation of natural resources through environmental management. We have identified eight key thrust areas under which the CSR activities are carried out at BHEL.

CSR initiatives of BHEL in Media

- Inauguration of 50 bedded Mental Hospital cum Rehabilitation Centre
- Donation of Furniture to mark celebrations on Children's Day
- Silver Plate awarded to BHEL for contribution in Healthcare Services
- Inauguration of Hospital on Wheels – Lifeline Express
- Mobile Medicare Unit inaugurated at Guruharsahai, Punjab
- Inauguration of vocational Training courses at Jhansi
- "Save the Girl Child" campaign at Bhopal

IV. CONCLUSION

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.

Today, 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. It can be concluded that in today's informative world where information are readily available to general public CSR has been an important part of any organization to be successful. Organization in present world cannot be successful without taking into account the social responsibility. CSR has been a vital component for any organization to have perpetual success and to create brand. Corporate Social Responsibility (CSR) defined as "the ethical behavior of a company towards the society," manifests itself in the form of such noble programs initiated by for-profit organizations. CSR has become increasingly prominent in the Indian corporate scenario because organizations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. This is one of the key drivers of CSR programs. Another reason fuelling this rapid adoption of CSR is the state of the Indian society. Though India is one of the fastest

growing economies, socio-economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development.

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