

**CSR: THE BLACK & WHITE ISSUE**

**By Mrs. Sajitha S Kumar**

Assistant professor

SIES College of Commerce & Economics

Mob: 9920710194

Email: sajitha1612@gmail.com

**Abstract:**

There was a time when CSR was considered as a luxury activity by elite & successful entrepreneurs & was done only when the company was flooded with profits & could afford to work for the welfare of the society. Today, however there is a transition to this thought process & CSR is considered as a mandatory social responsibility of organizations towards their shareholders as well as the members of the society. There is a triangular relationship between the company, the state & the society as a whole. It is of utmost importance to the company now to place their efforts towards social responsibility in their quest to attain maximum profits. In the era of globalization, companies are no longer confined to traditional business practices within limited boundaries. They are expected to give back what the society has given them in terms of profits and goodwill. A firm's implementation of CSR goes beyond compliance and engages in "actions" that appear to bring social good, beyond the interests of the firm and this is required by law. Pursuing CSR is a paradigm shift from traditional short term financial gains. Also mentioned here is that many a time's corporates treat this agenda with selfish motives of increasing their profits. It may sometimes be a mere "window dressing" or an "eye wash". This article highlights the importance of CSR to both the organizations who religiously involve in it & to the stakeholders who perceive its enormous benefits.

**Introduction:**

CSR is a process with an aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, shareholders and all other members of the public who may also be considered as stakeholders.

The benefits of CSR will create & maintain a high reputation for the organization, securing & maintaining healthy relationships with stakeholders, motivating & stimulating work culture for employees & increased profitability & better performance of the company. Common types of corporate social responsibility actions are in the areas of Environmental sustainability, Ethical marketing practices & Community development. A growing number of corporates feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

**Objectives of the Study:**

- ❖ To understand the positive & negative approach of the corporate sector towards CSR initiatives
- ❖ To study the CSR initiatives of three Corporate giants in India

The basic objective of CSR is to maximize the company's impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies through their business operations and processes. Companies have specialized CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are determined by social philosophy which have clear objectives and are well defined and aligned with the mainstream business. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporate. Not one but all corporates should try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social issues. Partnerships between companies, NGOs and the government should be facilitated so that

a combination of their skills such as expertise, strategic thinking, manpower and money to initiate extensive social change will put the socio-economic development of India on a fast track.

The researcher has studied the CSR initiatives of top three corporate giants of India with a motive to set examples to other organizations to follow suit. The study reveals the contributions made by each of them to the various neglected & crucial areas.

**RELIANCE INDUSTRIES:**

- ❖ Some noteworthy contributions of the giant Reliance Industries Ltd to the community are in areas of health, education, infrastructure development, environment, relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organizations etc.
- ❖ It plays a pivotal role in supporting Government's initiative towards education of girl child. In Gujarat, under the project "Kanya Kelvani", RIL's Dahej Manufacturing Division has extended financial assistance towards education of girl child in the state. Annually free uniforms, books, shoes and school bags are given to students and also free electricity is provided to the school. A network of nine schools caters to 13,251 students spread across geographies in India.
- ❖ Reliance Dhirubhai Ambani Protsaham Scheme: The Scheme, launched in AY 2008-09, continues to support poor meritorious students.
- ❖ Drishti: A unique joint initiative of RIL and National Association of Blind, Project Drishti has undertaken over 9,000 free corneal graft surgeries for the visually challenged Indians from the underprivileged segment of the society. It is the largest corneal grafting surgery project enabled by a single corporate entity in India.

- ❖ The Primary Health Centre (PHC) at Dahej, Bharuch district, adopted by RIL under the National Rural Health Mission Programme caters to the community health needs of 23 surrounding villages.
- ❖ Dhirubhai Ambani Hospital at Lodhivali, Maharashtra continues to play a significant role in improving the quality of life in surrounding communities. It extends prompt and specialized services to the Mumbai-Pune highway accident victims. Trauma patients are provided free lifesaving treatment. Besides taking care of hospitalization requirements, the hospital provides poor patients and senior citizens subsidized treatment - both in the outpatient and in-patient departments. ART clinic, a public-private partnership initiative between RIL, CII and NACO, offers free of cost treatment to HIV/AIDs patients. In association with the Lions Club, the hospital conducts cataract surgery camps annually.
- ❖ Livelihood Support Programmes: RIL has always been at the forefront in implementing initiatives especially for the welfare of rural women and youth of surrounding villages through various self-help groups (SHG).
- ❖ Supporting Indian Culture: During the traditional Navratri garba festival, gifts to girls were distributed individually by RIL. Several institutions organizing Navratri festival at Jamnagar, Chorwad, Ahmedabad, Gandhinagar, Mumbai, etc. were given financial assistance. RIL sponsored a state level navratri festival under the banner of Gujarat Industries Navratri Festival Society.

This is just a few of their contributions but it seems to be true that they will go a long way in serving the society & take India on to a path of a brighter future

### **TATA GROUP: A Trustee to the community**

Tata Steel has evolved, over the years, an encompassing culture of social responsibility that not only sustains but also enriches the lives of the communities it supports. Today, Tata Steel is a

beacon to the corporate world, in its endeavors to enrich the lives of the people and communities it touches.

About 100 years ago, Tata Steel first marked its print on a small, insignificant place called Sakchi, which later transformed into Jamshedpur, the birthplace of Indian steel

The Company has received numerous awards in recognition of its CSR endeavours, including The Energy and Resources Institute Award, recognising its corporate leadership for good corporate citizenship and sustainable initiatives. It is also the only Indian company to have pledged to translate the Global Compact principles on human rights, labour and environment into practice, and has been conferred with the Global Business Coalition Award for Business Excellence in the Community for HIV/AIDS.

The CSR programme is managed by three organisations — Tata Steel Rural Development Society (TSRDS), Tata Steel Family Initiatives Foundation (TSFIF) and the Tribal Culture Society (TCS).

“We spend money to create an asset in terms of a building, pump, school, house and so on, or improve the quality of life through programmes on adult literacy, TB treatment, empowering women, etc. If money spent does not create an asset or an improvement in the lives of the people, then the money is wasted.”

❖ The Tribal Culture Society

The Tribal Culture Society (TCS) of Tata Steel has done outstanding work for the tribals of Jamshedpur and the surrounding areas in Jharkhand. The society evolved from a pure company department for Adivasi affairs in 1974, to a Tribal and Harijan Welfare Cell in 1984. In 1993, it assumed its present form as a non-profit organisation, equipped with the expertise and financial resources to make a difference in the lives of marginalised tribal communities. The society focuses on three important issues: education, improvement of earning opportunities and the preservation of the ethnic identity of the tribal community.

❖ **Tata Steel Rural Development Society (TSRDS)**

Tata Steel Rural Development Society, established in 1979, has faithfully executed its mandate of enriching the quality of life of the communities in which Tata Steel operates. The society has a special focus on income generation, health and hygiene and empowerment. It has established a network of health stations and trained staff who act as providers of basic healthcare. TSRDS has offices in West Bokaro, Noamundi, Jamadoba, Gopalpur and Sukinda, besides Jamshedpur.

❖ **Tata Steel Family Initiatives Foundation (TSFIF)**

Tata Steel's Family Welfare Programme began in the 1950s. Since March 2000, the activities are being carried out under the Tata Steel Family Initiatives Foundation. It provides maternal and child health and family planning services. It also works on adolescent reproductive and sexual health issues and has a care and support programme for HIV/AIDS.

TSFIF has six main focus areas:

- ✓ Maternal and Child Health:
- ✓ Adolescent Reproductive and Sexual Health
- ✓ AIDS awareness
- ✓ Drinking water and sanitation
- ✓ Eye care and cleft lip
- ✓ Lifeline Express

**WIPRO LTD**

A corporation's survival and progress is a function of three key factors - the corporation itself, the society in which it operates and the environment that envelops all of these.

- ❖ Education: Wipro's initiatives in sustainable education are more than a decade old and the approach is multi-stakeholder focused and long-term. The initiatives address diverse stakeholders ranging from colleges from which Wipro recruits a large pool of its human resources to the larger society. It includes local educational institutions, engineering colleges, universities, educational and other civil society organizations, schools, teachers, students and parents.
- ❖ Mission10X is a not-for-profit trust of Wipro, launched on September 5, 2007, with an aim to enhance the employability skills of engineering graduates in India. It aims to achieve this by collaborating with academicians & leading educational institutions across the country. The Mission10X Learning Approach empowers engineering faculty with innovative teaching techniques using which they can help learners in imbibing higher level of understanding of subjects, application of concepts learned and development of key behavioral skills.

The 3 pillars of Mission10X are:

- ✓ Empowering Faculty
- ✓ Developing Transformative leaders
- ✓ Leveraging Technology
- ❖ Ecology: The initiative focuses on reducing ecological footprint of our business operations, engagement with employees and supply chain, partners and customers to create a more sustainable society, and transparent reporting/disclosures.

❖ **Ecological footprint:** Over the five year period 2008-09 to 2012-13, investments in green buildings and energy efficiency have yielded savings of 30 million units of electricity. This combined with consistent focus on renewable energy has resulted in a reduction of nearly 107,000 tons of greenhouse gas (GHG) emissions on a cumulated basis

During this five year period, they not only saved nearly 405 million liters of freshwater through multiple efficiency and conservation measures but also recharged around 250 million liters of water to the ground. Efforts on water did not stop with this; they spend significant time and resources on issues of water responsibility and advocacy by working closely with their partners from civil society, academia and government.

❖ **Eco-sustainability**

Energy and GHG efficiency- 25% improvement in energy efficiency in the last 6 years due to adoption of green building standards based on LEED framework. 44% reduction in use of printing paper through effective automated controls and behavioral changes

Water efficiency- 32% of water requirement met through water recycling and harvesting

Waste management- Four biogas plants convert food waste to cooking fuel translating into a net reduction of 100 tons per annum. Wipro enables eco-sustainability initiatives for customers, Builds Green Data Centers that consume 10-20% less energy. They help in greening existing buildings that save energy and operational costs & Consults factories to go 'Green' and work efficiently under an eco-umbrella

❖ **Diversity and the workplace**

Just as biological diversity is crucial for the wellbeing of an ecosystem, they see diversity at the workplace as an important source of creativity and robustness in thinking. The proportion of women in the workforce continues to grow steadily and stands at 30%. They are deeply committed to enhancing the global nature; around 9% of their employees are from 98 countries

other than India. About close to 500 persons with disabilities are a part of their workforce & they claim that to be their biggest asset.

### **THE OTHERWISE OF CSR:**

We however notice a divided opinion on CSR. Critics argue that when firms attempt to be accountable to the entire world, they end up being accountable to no one in reality. Many companies think that CSR activities deviates the business from its main motive of doing business to “earn profits”. CSR is a distraction, imposing non-commercial goals on business. A business that takes on responsibilities other than profitability dilutes its prime focus on its commercial responsibilities and therefore distracts itself from achieving its primary business objective of long-term success. The CSR agenda makes it difficult to focus on and address deficiencies because it undermines an organizations proper direction of accountability, which is only to its owners. When corporations make contributions to charity they are giving away their shareholders money, which they do only IF they see potential profit in it. This may be because they want to improve their image by associating themselves with a cause, or mere advertising or publicity. Since the CSR mindset expresses the contemporary perception of self-interest as ‘greed’, and discourages the wholehearted pursuit of business’s own objectives, the result is that business and society both suffer. The effect of such CSR scandals is that the reputation of the company is badly damaged. There is an old saying that any publicity is good publicity. However, in the world of business, bad publicity is bad publicity. If there is a social demand, it’s up to a business if it wants to cater to it. Of course, firms can take moral stances that go beyond their legal and regulatory obligations, but that is something they are accountable for, to their boards and shareholders, NOT to ‘society’. A business’s ability to attain and then retain sufficient profitability to sustain itself and move forward is not an easy task. Our root problem is not that businesses are being socially irresponsible, or that business leaders are being unethical. A much bigger and more real problem is a culture which assumes businesses are behaving

immorally or irresponsibly, and the moralizing compulsion that ensures that all businesses need to conform to an 'ethically based' CSR agenda.

**Summary & Conclusion:**

Majority people who disagree on CSR have a responsibility to speak out and try to change opinions. Nevertheless, the willing acceptance of CSR obligations does make a good thing for society. Corporate social responsibility creates a binding on the corporates to behave ethically & morally, & also to pay back the society & the stakeholders in the best possible manner. It aims to improve the life of the people & help them with a better & improved standard of living both for employees & the members of the society. There needs to be a shift in the approach of the corporates from being accountable not only to the shareholders but also to the stakeholders of the society which includes the employees & the affected communities. It should be treated as a mutual process of beneficial relationship between the society & the companies. The organisations should identify the real needs of the public & invest their funds in the right direction. It should certainly not be an eye wash where on the pretext of social work the real benefit is in turn to the organisation itself. For this government should closely monitor the working of the organisation & ensure that the organisations meet their social obligations to the right cause at the right time. Policy changes & implementations will also help in a great way to improve & encourage the efforts of the corporates towards this cause.

**REFERENCES:**

- 1) CSR: Doing the most good for your company & your Cause : Philip kotler & Nancy Lee – ISBN : 978-81-265-1843-2, PUBLISHED BY John Wiley & Sons, Inc, New jersey, reprint by Wiley India Pvt Ltd, New Delhi- 2008
- 2) CSR: Not Just a Pay back: Meghna Arora & Vishal Gupta, Wisdom publications- Delhi, 2010, ISBN: 978-81-89547-75-2
- 3) [http://en.wikipedia.org/wiki/Corporate\\_social\\_responsibility](http://en.wikipedia.org/wiki/Corporate_social_responsibility)
- 4) [http://www.ril.com/html/aboutus/social\\_resp\\_comm\\_dev.html](http://www.ril.com/html/aboutus/social_resp_comm_dev.html)
- 5) <http://www.tata.co.in/article/inside/Rmjp4NJztqU=/TLYVr3YPkMU=>
- 6) <http://www.wipro.org/education.html>
- 7) <http://www.spiked-online.com/newsite/article/the-social-irresponsibility-of-csr/14867#.U-8FccWSxrc>
- 8) [corporatewatch.org/content/whats-wrong-corporate-social-responsibility-arguments-against-csr](http://corporatewatch.org/content/whats-wrong-corporate-social-responsibility-arguments-against-csr)
- 9) <https://suite.io/jo-bilson/38h92qa>