

CORPORATE SOCIAL RESPONSIBILITY – A MYTH OR A REALITY

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ABSTRACT

Till 1990's CSR was understood purely in terms of charity. In the new environment companies have realized that without a healthy community the new business venture cannot prosper. CSR has grown to play a significant and important role in directing and defining the way organizations do business. Social accountability and responsibility to expected particularly from large national and multinational corporations which can be linked in people's minds to various issues. CSR refers to business decision making linked to ethical values, compliance with legal instruments and respect for people, communities and environment. As per the world business council for sustainable development, 2000 CSR is the continuing commitment by business to ethically and contribute economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. Commission of European Communities, 2001 defined CSR as "A Concept whereby companies integrate social and environment concerns in their business operations and in their interaction with their stake holders as a voluntary basis."

INTRODUCTION

Till 1990's CSR was understood purely in terms of charity. In the new environment companies have realized that without a healthy community the new business venture cannot prosper. CSR has grown to play a significant and important role in directing and defining the way organizations do business. Social accountability and responsibility to expected particularly from large national and multinational corporations which can be linked in people's minds to various issues.

MEANING

CSR refers to business decision making linked to ethical values, compliance with legal instruments and respect for people, communities and environment.

As per the world business council for sustainable development, 2000 CSR is the continuing commitment by business to ethically and contribute economic development while improving the quality of life of the workforce and their families as well as the local community and society as large.

Commission of European Communities, 2001 defined CSR as "A Concept whereby companies integrate social and environment concerns in their business operations and in their interaction with their stake holders as a voluntary basis."

Thus CSR is a concept whereby organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

CORE ELEMENTS OF CSR

1. Care for all stakeholders.
2. Ethical functioning.
3. Respect for workers Rights and Welfare.
4. Respect for Human Rights.
5. Respect for Environment.
6. Activities for Social and inclusive Development.

Globalization, deregulation, privatization and a redrawing of the lines between state and market have changed the basis on which business houses are expected to contribute to the public good.

THE BASIC DRIVERS OF CSR CONSIST OF:

Values	A value shift has taken place within businesses where they not only feel responsibility for profit earning but also for social and environmental good.
Strategy	Being more socially and environmentally responsibility is important for the strategic development of a company.
Pressure Group	Pressure groups like consumers, media, the state and other public bodies are pressing companies to become socially responsible.

CASE STUDY OF BUSINESS GAIANTS INVOLVED IN CSR.

Research Methodology

Literature review

- Adoption of ISO 14001 standard by Indian Companies, and cursory look on literature on CSR shows that many of the firms report their CSR practices through annual report or websites.
- Karmyog rating of Indian companies is available for best 1000 companies in India.
- Case study of ONGC, Reliance Industries, Larsen and Toubro, NTPC, KRIBHCO, GAIL India Ltd., etc.
- They have brought economic prosperity but are they concerned about the socio-environmental issues?

DEFINING THE PROBLEM:

A study on CSR activities of 5 industries is conducted.

Objectives of the Study:

1. To know the present CSR practices of select units in environment and social services areas.
2. To offer suggestions if any.

Data Collection tool and its Tabulation:

Five companies were taken based on availability of data on internet which is tabulated in Table 1, Table 2 and Table 3.

Table 1

Summary of CSR Activities of 5 major industries

Sr. No.	Name of Company	Sales-in crores	Recommended CSR 0.2% of sales in crores	CSR Budget/ actual amt spend (in crores)	Karma yog CSR Rating	Major areas of CSR activities (Community Services)
1.	Essar Steel Ltd.	9000	18	NA	2/5	Education, Self-employment, Training, infrastructure development, medical, Health & Hygiene Recreation, Welfare
2.	Reliance Industries	140000	280	NA	2/5	Community, Social Development, Educational Infrastructure Socio-Economic, Health.
3.	Larsen & Toubro Limited	25000	50	26	3/5	Environment, Health, Education Response to natural calamities, community welfare.
4.	Oil and Natural Gas Corporation	60000	120	120	2/5	Socio-Economic Priority areas, Education, Community development, environment protection, Health care and family welfare.
5.	GAIL (India) Ltd.	18000	36	26	3/5	Community Development Infrastructure Environment Protection Healthcare/Medical.

Table-2

Areas of CSR activities covered

Name of the Company	Environment Protection	Education	Infrastructure Development	Medical/Health/Hygiene	Community Welfare	Socio-Economic Development	Training/recruitment	Re-sponse to natural calamities
Essar Steel Ltd.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Reliance Industries	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Larsen & Toubro Limited	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Oil and Natural Gas Corporation	Yes	Yes	No	Yes	Yes	Yes	No	Yes
Gail (India) Ltd.	Yes	No	Yes	Yes	Yes	No	No	No
Total	5/5	4/5	3/5	5/5	5/5	4/5	2/5	3/5

Table-3

Table showing special emphasis on environmental aspects

Name of the Company	Environment Policy and Energy Saving Efforts	Green Initiatives	Special Achievements/Awards
Essar Steel Ltd.	Reduction in natural gas consumption reduction in power consumption energy conservation and R & D activities		
Reliance Industries	Compliance of environmental gases to atmosphere emissions from stationery sources, Effluent discharge Waste management Ground water protection environment performance evaluation & reporting effluent treatment plants		‘Greentech Safety Award – Gold’ from the greentech Foundation ‘Platinum Award’ for excellence in environment management ‘Excellent in Energy Award’ for energy conservation initiatives ‘Golden Peacock Award for Combating Climate Change-’ for energy

	(ETP). Air emission abatement units waste disposal facilities Re-use of energy content of waste. Rainwater harvesting		conservation 'CII National; Award in Energy Management
Larsen & Toubro Limited	Carbon Footprint mapping Energy audit Minimum energy consumption Increase in renewable energy resources Design for minimum waste Conserve water resources	Adopted "Green Buildings" as one of the thrust areas for its development work. L & T's Technology Block at Hazira ranked third greenest in and the first LEED Platinum rated project in India.	Golden peacock award for CSR . , Hazira Manufacturing Complex awarded Platinum certification under the Leadership in Energy & Environmental Design (LEED) program.
Oil and Natural Gas Corporation	Environment Laboratory Adequate resources to handle Oil spills Bio-remediation tech. for treating contaminated soil Mangrove plantation for marine environment protection of trees.		"Greentech Safety Gold Award " :Golden Peacock Environment Management Award " "Greentech Environment Excellence Award " "Golden Peacock Award for Excellence in Corporate Social Responsibility in Emerging Economics-
GAIL (India) Ltd.	Tree plantation Rain water harvesting Tap rain water Renovation of water harvesting Contribution to "Save Tiger		Greentech Safety Award – Platinum Award GREENTECH Environmental Excellence Gold Award

	Project” Water shed Management		
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FINDINGS AND SUGGESTIONS

1. CSR is widely accepted in community based development projects.
2. Alternative approaches like establishments of education facilities, health campaigns are undertaken by the companies.
3. They are also providing an aid to local organizations and NGO's.
4. CSR has been best reflected in improvement in quality of living.
5. All the five have ISO 14001 certified.
6. Many of them have won many awards and are exemplary cases of environmental protection.
7. Therefore other industries can follow them by benchmarking the efforts of these companies.

A Simple Approach of CSR in a structure way

1. **Assess:** Assessment of the actions and actions should be relevant for business as well as society.
2. **Commit:** Commitment to a statement being a responsible business means to the company and clear ethical values for the top down.
3. **Integrate:** Responsible business behavior across different functions and activities within the business.
4. **Organization:** The project management, the details, relevant business resources and set targets.

CONTROVERSIES & CHALLENGES

CONTROVERSIES

- Restricts the goal of profit maximization
- Business is not equipped to handle social activities
- Dilutes the primary aim of business
- Limits the ability to compete in a global marketplace
- Compelling forces
- Persuasive forces

CONTROVERSIES

- Issues of transparency
- Non-availability of well organized non-government

- Visibility factor
- Conflicting considerations
- Lack of community participation in CSR activities

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES – 2013

Ministry of corporate affairs, Govt. of India has issued some CSR voluntary guidelines to be followed by the companies operating in India. The implementation guidance are as follows:

- Business entity should provide for an implementation strategy which should include identification of projects/activities, setting measurable physical targets with timeframe, organizational mechanism and responsibilities, time schedules and monitoring.
- Motivate employees for voluntary effort for social development.
- Budgets for CSR activities.
- Disseminate information on CSR policy, activities and progress in a structured manner.

CONCLUSIONS

This business of business is to create sustainable value.

Primary objective of business is to create maximum wealth for their shareholders and various stakeholders as CSR is one of the most reliable and consistent way to do so. Everyone in the society is increasing by concerned about the environmental and social impacts of the product they buy. It follows that business can maximize their negative impacts Corporate Sectors should understand their responsibility as it cannot be enforced upon by any law.

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