## CONCLUSION

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"Whenever you are in doubt... recall the face of the poorest and the weakest man whom you may have seen and ask yourself if the step you contemplate is going to be of any use to him? Will he gain anything by it? Will it restore him to control over his own life and destiny? That test alone can make our plans and programmes meaningful." - Mahatma Gandhi

6.1: Summary:

Today, the debate on pursuing CSR by companies is over. Companies in India are not just concerned with profitability and growth, but also lay equal stress on social, ethical and environmental impact of their operations as exemplified by the notion of “Corporate Social Responsibility”. In the context of Odisha, different companies have responded to CSR in several ways – covering health, education, livelihood, environmental protection etc. NALCO seems to be at the forefront of it. It has been sensitive enough from its inception to follow CSR and has tried to demonstrate good Corporate Citizenship. It has adopted “Strategic CSR” and has been addressing “Triple Bottom Line” (TBL) in its business operations.

6.1.1: Strategic CSR and NALCO:

Strategic CSR is the philosophy of integrating CSR into firm’s strategic perspective and operations ¹(Werther and Chandler, 2006). When CSR becomes strategic to a company it should be close to the mission or vision of the organization and receive priority from the management ²(Burke and Logsdon, 1996). NALCO’s mission statement corroborates adoption of Strategic CSR by the company. Among other things the mission of NALCO states -

- to satisfy the customers and shareholders, employees, and all other stakeholders.
- to be a good corporate citizen, protecting and enhancing the environment as well as discharging social responsibility in order to ensure sustainable growth.

In fact, NALCO from its inception has been careful about CSR and followed it meticulously. CSR has always been in the top the agenda of the management. Ex-CMD of NALCO Shri C. R. Pradhan on receiving the trophy for the Best Public Sector Enterprise of 2008 for NALCO’s Corporate Social Responsibility
(CSR) activities by Think Odisha Leadership on August 14, 2008 had said, “At NALCO, when we started our activities in Odisha 27 years ago, there was no such nomenclature like Corporate Social Responsibility or CSR. All that we knew was our moral responsibility towards the society.” Further, “CSR - it’s not charity, it’s our responsibility” – proclaims its website.

Thus, CSR has been strategic to NALCO since its inception.

6.1.2: Triple Bottom-Line and NALCO:

NALCO has also addressed the “Triple Bottom Line” (TBL) - what Elkington (1998) refers to as social, environmental and financial responsibility of a business. This is to say that NALCO is responsive not just to its financial/economic interests, but to the society and environment as well. A review of TBL of NALCO proves that it has been taking CSR activities seriously as one of its core activities.

6.1.2.1: Economic Responsibility:

NALCO has been a profit making organization since its inception and it is having a growth rate of 13.66 per cent in profit for last decade (Panigrahi, 2009). Now, it is a commercially successful Public Sector Undertaking. Profit before Tax and Profit after Tax for the period 1998-99 to 2007-08 (Annexure: Table-1) depicts economic success of NALCO. Further, it has been a partner to Govt. in developmental activities. It has contributed more than Rs. 15,000/- crore to the Central and State exchequers (Annexure: Table-2). It has also contributed generously to Chief Minister’s Relief Fund and Prime Minister’s Relief Fund at the time of calamity.

Today, NALCO is a Navaratna Company; a status conferred on it by the Central Government in April, 2008. This is not only a recognition for achieving physical, financial, export targets and generating enough surplus; but a responsible company dedicated and loyal to its shareholders where government is the major stakeholder. It is paying dividend regularly to its shareholders (Annexure: Table - 3).

NALCO has become the first Public Sector Company in India to initiate action for Employees Stock Option (ESOP), for offering its share to its employees (Parichaya, 2011).
All these prove that NALCO is quite responsible towards its shareholders. Thus, economic responsibility of NALCO has been quite satisfactory.

6.1.2.2: Social Responsibility:

NALCO has done excellent work in Rehabilitation and Resettlement of displaced families with adequate compensation, housing, employment and providing them all amenities of decent life. Community participation in innovative farming, pisciculture, social forestry and sanitation have led to employment and income generation for the local people in many significant ways. Apart from this, encouragement to sports, art, culture and literature are all a part of NALCO's deep involvement with the life of the community.

Thus, it has helped in promoting quality of life of communities residing in the vicinity of its plants and facilities. So far it has allocated Rs. 146.85 crore towards various social sector development activities through RPDACs. Creation of infrastructure in the surrounding villages for communication, education, healthcare and drinking water gets priority in the periphery development plans of the Company. The study shows that 62 per cent the employees of NALCO and 26 per cent the public rate the involvement of NALCO as high so far as developing communities around it and espousing social causes are concerned.

6.1.2.3: Environmental Responsibility:

NALCO has adhered to strictest environmental norms imposed by State Pollution Control Board. It has got ISO 14000 certifications for all of its operations Alumina Refinery, Smelter Plant, Bauxite Mines and Captive Power Plant. The Company has received Indira Priyadarshini Vrikshamitra Award from Govt. of India for its contribution in the field of afforestation and wasteland development. The 960 MW Captive Thermal Power Plant of the Company also received the prestigious Indira Gandhi Paryavaran Puraskar for the year 2000 from Govt. of India for its outstanding contributions in the field of environment management. Besides these, the Company and its Units have received various National, State and Institutional awards for excellence in Safety and Environment
Management. A look at the awards testifies its credentials as a responsible company in conservation of ecology and environment, pollution control, industrial safety etc (Annexure: Table-4).

NALCO has achieved yet another milestone in environment protection and reduction in pollution with the commissioning of High Concentration Slurry Disposal (HCSD) System in its Captive power Plant at Angul. The system is one of the latest eco-friendly methods of ash disposal. This system reduces ash pollution in the atmosphere by reducing the fine ash dust, which usually pollutes the atmosphere being blown off with wind (Parichaya, 2010). The study has revealed that 92 per cent of employees of NALCO and 41 percent of the public consider NALCO’s contribution towards peripheral development, environment protection etc. as satisfactory.

6.1.3: Responsibility towards Employees:

NALCO is quite responsible in implementing Industrial laws and Labour laws in all respects. It has undertaken various welfare measures and social security schemes to protect the interest of its employees. It is one of the best employers in India. This has been aptly described by one of the employees of NALCO – “In Tamil ‘NAL’ means good and ‘CO’ means king. So, NALCO means a king who is good. As a good king takes care of food, clothing and shelter of his subjects; similarly NALCO has taken care of its employees. It treats all its employees equally and got one uniform for all its employees. As the kings used to have gem studded crowns, NALCO has a crown ‘NAVA RATNA’. Let us feel pride of being a Nalconian.” (Selvan, 2009). Thus, the company has discharged its responsibility towards its employees by extending different welfare facilities – both statutory and non-statutory. This has been very well recognized by majority (69 per cent) of Nalconians.

The company has implemented Social Accountability Standard (SA8000 Standard) in all its units, which measures the performance of an organization in eight key areas viz. child labor, forced and compulsory labour, health and safety, freedom of association and collective bargaining, disciplinary practices, working hours and
remuneration. NALCO has been adhering to all these measures (Annual Report, 2009-10).

6.2: Drawback in CSR Policy and Practice of NALCO:

As a policy, NALCO has been spending one per cent of its net profit for its periphery development programme; and it places the fund at Rehabilitation and Peripheral Development Advisory Committees (RPDAC). This brings to the glaring fact that NALCO does not have any CSR programme of its own, and mostly its role has been a funding agency. It had no CSR Wing/Department and professionals, and CSR programs are managed by the Administrative Department.

Since RPDACs are dominated by local politicians and bureaucrats, NALCO has got no say over what is to be done, where and how much money is to be spent in which schemes. Discussion with the officials of NALCO has also revealed that there is a lot of political and bureaucratic apathy in execution of schemes for peripheral development. On many occasions local politicians try to take political mileage out of the funds of NALCO.

Other weaknesses in the CSR of NALCO are as follows:

**Low level of awareness about CSR:**

The philosophy of CSR is yet to take a firm root in NALCO. Employees and public are not much aware about Corporate Social Responsibility. The study reveals that the awareness about the term “CSR” among the employees of NALCO is 69 per cent whereas in case of the public, it is only 49 per cent. At the same time, 46 percent of the employees of NALCO and 82 per cent of the public have got very low opinion or zero level awareness of its involvement in CSR activities.

**Lack of understanding of the term CSR:**

The study reveals that CSR is mostly understood to be peripheral development works, engaging in environmental protection, giving charity/donations. Only 5.5 per cent of employees of NALCO and 3.2 per cent of public understand in its totality i.e. being responsible to all the stakeholders – Shareholders, Employees, General Public, Government, Customers and Suppliers.
Low level of employee involvement:
The study reveals that only 13 per cent of NALCO employees are actively involved in CSR. Only 18 per cent of Non-Executives and 09 per cent of Executives are actively involved in CSR. Further, incentive for involvement of employees in CSR activities is found to be lacking. Only 32 per cent of the employees are of the opinion that NALCO encourages its employees to be involved in community development programmes. Further, involvement of employees in CSR planning and execution is found to be non-existent; and involvement of employees in CSR activities is occasional i.e. during calamities they are found involved in mobilization of relief materials and donations only.

Absence of CSR Reporting:
As a formality only few paragraphs about CSR are seen in the annual report of the company along with few references in the website of NALCO. CSR reporting on GRI (Global Reporting Initiative) guidelines is yet to be done by NALCO.

Absence of monitoring & evaluation:
Monitoring and evaluation of CSR activities by a third party has never been undertaken. Social auditing involving the concerned local people is also not there.

6.3: Reshaping of CSR of NALCO:
In order to execute its own vision of CSR, the company has formed “NALCO Foundation” in July 2010 \(^9\) (Annual Report, 2009-10) and the Foundation is to focus CSR activities within 15 KM radius of NALCO Mines and Plants so as to endear people. For that the company would be spending 1 per cent of its profits through it, beyond the 1 per cent given to Rehabilitation and Periphery Development Advisory committees (RPDACs) for peripheral development. Thus, the CSR budget of NALCO now stands doubled. The Foundation has adopted a project-based accountability approach as against a donor-based approach adopted earlier, which ensures participation of the primary stakeholders at the grassroots level; and thus, careful about their needs and views in the decision making process. NALCO Foundation, thereby, tries to ensure community participation, accountability and sustainability.
In fact, NALCO is determined to execute CSR in a planned and passionate way. This is reflected from an excerpt of Sri Joy Varghese, Director (P&A), “Let's be more empathy-driven in our ventures rather than meeting per se the responsibilities thrust upon” (Varghese, 2010).

6.4: Suggestions:

1. CSR week should be observed, so that people and employees awareness can be augmented. This may be done unit wise involving as many employees as possible.

2. In order to strengthen CSR activities, CSR Foundation of NALCO should manned by CSR professionals. The Trust should be broad based with representation of employees.

3. Networking with local NGOs will facilitate effective implementation of the action plan.

4. More employee involvement in CSR activities needs to be encouraged. NALCO can institutionalize voluntarism among employees through appropriate incentives and recognition. Internal performance evaluation of employees should recognize the contribution of employees for community work.

5. Monitoring and evaluating CSR helps to analyze the impact and plan the future course. Social Audit should be encouraged to involve the local populace for concurrent evaluation of projects for whom whole scheme of CSR is meant for.

6. CSR reporting on the basis of Global Reporting Initiative (GRI) guidelines must be taken up of in line with global practice. Reports are primarily a tool to help companies convey how their businesses are being managed effectively. The benefits include helping improving awareness of the issues inside the company and alerting employees to the company's performance. CSR reports signal to managers and employees that their company takes its social values and policies seriously.

7. CSR targets should be specific, measurable and have a deadline in order to make it more meaningful and significant for the beneficiaries.
8. CSR is an interactive endeavour that requires constant communication with stakeholders. Hence, use of social media such as Twitter or Facebook to communicate CSR activities will help to build a positive image of the company.

6.5: Areas of Further Research:

Basing upon the experience and exposure on the study of CSR of NALCO, the researcher feels the need to have further studies on certain aspects of CSR. These are as follows:

1. CSR as a HR and PR tool
2. CSR Education to employees for better Corporate Citizenship
3. Making ‘values’ count through Corporate Social Responsibility: Issues of Transparency
4. Corporate Social Responsibility and Corporate Social Performance – the missing link
5. Issues of Climate Change and CSR: Educating and engaging employees and local stakeholders for sustainable development.
6. Impact of CSR on the local stakeholders
7. Involvement of public in increasing the CSR image of a company.

Further studies would help in finding out the facts and details of different dimensions and issues relating to CSR.

6.6: Conclusion:

The purpose of this study was to explore the CSR initiatives undertaken by NALCO and to gain insight of the CSR policy and practice of the company. Other objectives were to unfold the level of awareness of the concept of CSR among the employees and the public; and their views and opinions on different aspects of CSR.

The researcher has come to a conclusion that the awareness of the concept of CSR is found out to be at a lower level among the employees and the public although NALCO is pursuing CSR from its inception in the early eighties. The Company has been quite careful about discharging its commitment towards the welfare of all the stakeholders. It has addressed the “Triple Bottom Line” in its operations and it has lived up to its stated mission. All these go to prove that it is a good Corporate Citizen. Its drawbacks in
implementation of the peripheral development works has been sought to be addressed by establishment of “NALCO Foundation” which demonstrates company’s resolve to make CSR more comprehensive and inclusive. But, the researcher feels a drawback in this as there is no room for participation of the employees in CSR activities through the Foundation also. Employee’s involvement in CSR should be taken up as a matter of HR policy. Steps at corporate level are required to increase the level of awareness among the employees and public regarding CSR, and encouraging their direct participation. Carrying out CSR activities by the Foundation by engaging specialized agencies is expected to result in better implementation and delivery, but at the same time sustainable economic development of the people and the region should take precedence in the CSR activities so as to help people to improve their standard of living.

In fact, inclusive growth is the need of the hour and CSR of companies should focus in it. With redesigning of CSR policy and practice by NALCO, it is expected to promote social and economic inclusion of the people in its neighbourhood; and thereby the Foundation can justify its stated vision of “engineering holistic development”.

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6.7: References


4. Panigrahi P.C (GM Administration, NALCO), 2009, Presentation Handout on Best HR Practices organised by NIPM, New Delhi

5. Parichaya, Newsletter of National Aluminium Company limited, Jan-March 2011, Page 11


7. Selvan, (2009), Parichaya (May-July 2009), Newsletter of NALCO, page 26

8. Annual Report (29th) of NALCO, 2009-10

9. Ibid 8


Website

1. www.nalcoindia.com/5.7.2010


Sahanavavathu, sahanau bhunaktu, saha viryam kara va vahai; Tejasasvinamaditamastu ma vid visha vahai om shanti shanti shantibhi.

Let us come together, let us enjoy together, let out strengths come together, let us move from darkness to light, let us avoid the poison of misunderstanding or hatred, that way lies progress.

- “The Taitreya Upanishad”
Photo-6.1: Community Mobilization at Pottangi, Koraput

Source: CC and CSR Department, NALCO

Photo-6.2: Backyard poultry training programme at Nandichhod (Angul) organized by NF in collaboration with OPOLFED

Source: CC and CSR Department, NALCO
Photo-6.3: Illumination of Lingaraj temple by NALCO (Bhubaneswar)

Source: CC and CSR Department, NALCO

Photo-6.4: CMD of NALCO Shri C. R. Pradhan receiving trophy for Best Public Sector Enterprise for CSR activities from Shri Naveen Patnaik, Chief Minister of Odisha (Bhubaneswar) on August 14, 2008

Source: CC and CSR Department, NALCO