## SUGGESTIONS

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CHAPTER - X
SUGGESTIONS

10.1 INTRODUCTION
On the basis of finding of the study and personal observations, suggestions are given to the industries in Pune city to make the general CSR approach more strategic and education CSR more meaningful.

10.2 SUGGESTION FOR GENERAL CSR APPROACH

10.2.1 Written CSR Policy
The large scale industries in Pune, irrespective of their sector, size, type and age should have a distinct, clear CSR policy, and it should be written on all public domains so that the stakeholders are aware of the company CSR engagements. If the companies are undertaking CSR in education as a major priority then the main policy should include education (if possible the education sub area) as the sub policy. This is done by Cummins India Ltd. Their CSR policy states:

To serve and improve the communities in which Cummins businesses are located, CIF proactively seeks opportunities in the three identified focus areas which are as follows:

A. Higher Education (graduate level & professional diplomas) and particularly those institutions that cater to traditionally disadvantaged groups.

B. Energy and Environment related initiatives, particularly those that sponsor renewable, lower cost and more energy efficient technologies.

C. Local community infrastructure development e.g. healthcare, clean water, improved roads, improved governance

10.2.2 Separate CSR Department
Every large scale organization should have a separate CSR department. CSR should not be considered as an add on responsibility. Trained professionals with relevant qualifications
(such as MSW), experience and expertise should be entrusted with this sensitive responsibility. It should be perceived as an independent field of work and should be pursued with a research approach. For e.g. Suzlon Energy Ltd has adopted this approach and therefore engages in CSR as a core business function.

The following structure could be an ideal structure that could be adopted by companies who need to think about CSR in a serious way.

Fig. 1: Management, CSR department and Foundation, Project volunteers

10.2.3 Top Level CSR Commitment

CSR commitment should be at the top level, i.e with the management. This will enable the organization to undertake CSR with a serious approach. At least one director from the Board of Directors should be entrusted with the duty of guiding and monitoring CSR activities of the company on a regular basis.

10.2.4 Systematic Implementation and Feedback Process

There should be systematic implementation and feedback procedure for the CSR activities as done in Suzlon Energy Ltd and KBL. The following procedure formulated by Kirloskar Brothers Ltd could be used as an implementation mechanism.
Every CSR activity should have specific intent, so that the efforts are directed to achieve the objective. This will enable the organization to be consistent with the activity, monitor it and measure its impact till the objective is achieved.

10.2.5 Impact Assessment by Third Party

Impact assessment should be done periodically by a third party. This will enable verifying the benefits of CSR activity and get suggestions for improvement.

a. Companies could use the implementation and assessment mechanism of SAN(Social Audit Network of India, www.san-india.org), which is presently used by Forbes Marshall company.

b. 360 degree assessment(on the basis of stakeholder responses) of the CSR projects could be done half yearly or annually.

c. Balance score card can be used for setting targets and measuring the results.
10.2.6 Volunteer Engagement

a. It is very important to involve the volunteers in CSR activity. This will give dual benefit:

b. Create social awareness amongst the employees, increase their belongingness to the organization. Volunteers can share their expertise and experience.

c. **Key Result Areas should be defined for CSR** and should be made important part of their job KRAs. They should be held accountable for the CSR they engage in.

d. **A HR policy of volunteering could be formulated** where an employee is allowed to engage in the company CSR for some defined days in a year. For e.g. A record of volunteer engagement as prepared by KBL could be maintained to measure the KRA achieved. Fig. 3 shows the Volunteer Involved man hours.

<table>
<thead>
<tr>
<th>Designation</th>
<th>Total No. Of Hours</th>
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<tbody>
<tr>
<td>No. of persons involved</td>
<td>2008-09</td>
</tr>
<tr>
<td>Education</td>
<td>2009-10</td>
</tr>
<tr>
<td>Health</td>
<td>2008-09</td>
</tr>
<tr>
<td>Environment</td>
<td>2009-10</td>
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<tr>
<td>Total No. of days</td>
<td>2008-09</td>
</tr>
<tr>
<td>Environment</td>
<td>2009-10</td>
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</tbody>
</table>

*Fig. 3: volunteer engagement*

**External volunteers could also be engaged by the corporation**, such as employee family members, NSS students from colleges and youth in the neighboring community.
10.2.7 Extending CSR Activities beyond the Area of Business

The corporates in Pune city should not have a narrow focus in selecting the region of undertaking CSR. They should think beyond the community in the vicinity, and should select according to need and not according to region. A company should attempt to stretch its CSR beyond its vicinity to reach out to the unserved groups and communities. This will strengthen the sustainability of business.

10.2.8 Partners in Change

The large scale industries in Pune city should partner with the right NGO (operational or advocacy), specially if the CSR department does not exist or is very small. They can avail of the NGO expertise and knowhow. Identifying the right NGO should be done strategically, taking care of the past records of the NGO and the results it has delivered. When funding a NGO, the corporates and NGO should mutually agree upon the results(goals), thereby being consistent in funding. CII guides and helps in strengthening the corporate and NGO partnership. The CII Committee on Industry-NGO Partnerships was constituted in 2007 to identify, document and demonstrate successful partnership models, and to build capacity for sustaining the partnerships. The committee has given some parameters by which the right NGO’s could be identified.

10.2.9 Communicating CSR

Along with other means of communicating CSR, annual general meeting should also be used as platform to inform about the CSR activities of the company.

10.2.10 CSR Expenditure

Every company must spend 2% of its net profit as suggested by the Ministry of Corporate affairs. Or at least 0.2 p.c of its turnover (i.e. Rs. 20 lakhs per 100 crores). The CSR spending of a company should not be linked to the profit made by the company because this would vary from year to year and the CSR activities would thus not be consistently maintained. Budget allocated for
CSR should be used specifically for strategic CSR as defined by the CSR policy. Donations should not be done from this budget as it shifts the CSR focus from strategic to sporadic.

10.2.11 Preparation of Sustainability reporting

The large scale corporations in Pune should follow the Global Reporting Initiative guidelines and prepare Sustainability report along with the Annual report. This will enable them to analyze and present their economic, environmental and social performance (Triple bottom line). This will help them to collaborate smoothly with foreign organizations and build a global image.

10.2.12 CII Collaboration and Guidance

The companies should be proactive to the various CSR initiatives undertaken by organizations such as Confederation of Indian Industries and MCCIA (in Pune). CII has set up the Social Development Council to guide and strengthen the CSR initiatives. The corporates should avail the benefit of workshops organized by CII on CSR, identifying and working with the NGO, CSR project formulation, implementation and impact assessment. Corporates should use the expertise of CII in their CSR initiatives. CII news update on CII website informs about the various CSR guidance programs organized by CII. (www.cii.in)

10.2.13 Cradle to Grave Approach

The corporates in Pune should adopt a cradle to grave approach to CSR, similar to the approach of Suzlon Energy Ltd. They should divide their CSR activity into Transformative (for organization and its stakeholders), Responsive (to nullify the ill effects of their business) and Proactive CSR (voluntarily engaging in the social development activities for the society). This will make their CSR strategic and sustainable. Companies need to focus more on Proactive CSR, so than they constructively contribute to socio economic development of the nation.

10.2.14 CSR Part of Business

CSR is increasingly becoming important for collaborating with
foreign companies (specially in the European companies). Responsible behavior should be embedded in the supply chain of the company and the company should take care of ethical practice, child labor, human rights, carbon foot prints and environment laws.

10.2.15 Research Approach to CSR

For CSR to be undertaken strategically, the corporates should adopt a researched approach to CSR and develop a model as done by KBL, KPCL or Suzlon Energy Ltd.

10.2.16 Active CSR by the Non Engineering Companies

Non Engineering companies should engage more actively in CSR. They could do this either independently, with NGOs or with Government.

10.2.17 CSR Information on Website

CSR should be considered as an important aspect of information to be disseminated to the stakeholders and should be mentioned on the website of the company. This will leverage goodwill of the company and may help in increasing the turnover also.

10.3 SUGGESTIONS FOR CSR IN EDUCATION

Education is a basic and significant issue in which the corporates can contribute as a part of their CSR. The researcher feels that if industries engage and focus in education as CSR then all other issues will be taken care of. Education is the foundation on which other aspects of development lie. The study brings forth the approach of the industries towards CSR in education. On the basis of the study and needs of the society the researcher has given some general and specific suggestions to the industries in Pune city.

10.3.1 GENERAL SUGGESTIONS

10.3.1.1 CSR is not just writing a cheque. The large scale industries in Pune have resources, which could be effectively used to undertake CSR. Corporates should realize that their responsibility is to add value to the society, and this could be best done by doing CSR in education. By engaging in education CSR, the company is not obliging the society, but
benefitting itself as it is indirectly developing human resource for the industry.

10.3.1.2. Companies having CSR in education as major priority **should have a separate policy for education or should include education (if possible the education sub area) as the sub policy.** This is done by Cummins India Ltd (refer 10.2.1). The company has mentioned the specific area of education in their policy. This shows the clarity in their vision. The other corporates can frame their policy as per this policy.

10.3.1.3. **Education CSR should be monitored through a systematic mechanism of implementation and feedback.** This will enable the companies to know their outcome of their CSR in education and ensure that the targets are achieved.

10.3.1.4. The industries should try to **link CSR activities in education to the government plans** (as specified in the five year plan) e.g. Sarva Shiksha Abhiyan.

10.3.1.5. Corporates should give importance to **beneficiary feedback** to understand the reach and outcome of their activities in CSR in education. This will make the activities more result oriented.

10.3.1.6. Besides selecting the education CSR according to the **needs of the society,** the company should also consider the area of education where it can contribute its expertise, knowledge and core competency.

10.3.1.7. An education initiative can be undertaken **collectively by the corporations** so than their contribution is substantial and effective.

10.3.1.8. The corporate sector can undertake more activities in a formal manner **for the special target groups such as physically and mentally challenged.** This could be done by either by establishing skill development institutes or starting skill development training for these groups.

10.3.1.9. Companies with **health and environment** as priority issues, should **undertake providing education in these areas.**
Companies with health as priority issue should provide for research platforms in association with hospitals, health organization or universities.

Companies with environment as priority issue should undertake environment management courses either independently or in collaboration with Universities.

10.3.1.10 More companies should take initiatives in undertaking innovative activities in education CSR For example: Science centre as set up by Bajaj Auto Ltd.

10.3.1.11 Industries in Pune should engage increasingly in advocacy, knowledge sharing and resource sharing.

10.3.1.12 CSR in education should be strictly free or for very nominal fee.

10.3.2 SUGGESTIONS FOR SPECIFIC INDUSTRIES

The researcher suggests that the following companies from Agri. Business, Auto Ancillary, Chemical, Construction, Engineering, IT & ITES, M/C Tools, Polymer and Electrical & Electronics industries engage more actively in education CSR. They should undertake strategic projects in education issues according to their core competency and society needs.

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<tr>
<th>Sr.No.</th>
<th>Names of the Companies</th>
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<tbody>
<tr>
<td>I</td>
<td>AGRI BUSINESS</td>
<td>VI</td>
<td>IT &amp; ITES</td>
</tr>
<tr>
<td>1</td>
<td>Pravin Masalelave Pvt ltd</td>
<td>1</td>
<td>Patni Computer Systems Ltd(GATE Patni)</td>
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<tr>
<td>2</td>
<td>Uttara Foods ltd</td>
<td>2</td>
<td>Thyssenkup ltd</td>
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<td>II</td>
<td>AUTO ANCIALLY</td>
<td>III</td>
<td>CHEMICAL</td>
</tr>
<tr>
<td>1</td>
<td>Force Motors ltd</td>
<td>1</td>
<td>Emcure Pharma ltd</td>
</tr>
<tr>
<td>2</td>
<td>Jaya Hind Industry ltd</td>
<td>2</td>
<td>D.S.Kulkami ltd</td>
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<tr>
<td>3</td>
<td>Kinetic Engineering ltd</td>
<td>3</td>
<td>Vascon Engineers ltd</td>
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<td>4</td>
<td>SKF India ltd</td>
<td></td>
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<tr>
<td>IV</td>
<td>CONSTRUCTION</td>
<td>V</td>
<td>ENGINEERING</td>
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<td>VI</td>
<td>M/C &amp; M/C TOOLS</td>
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Fig. 4: Industries needing specific suggestions
10.3.2.1. The **Agro based industries** could undertake specialized training in skill development in **agro based skills** such as **food processing, testing, packaging etc.** This could be done by establishing **training institutes** (alike ITIs) in association with Agricultural Universities and Institutes.

10.3.2.2 The **Agro based industries** could undertake **training farmers** on various facets of agriculture such as marketing, technical skills, availing the government schemes. This could be done directly by the corporates or in association with NGOs.

10.3.2.3 **Construction Industries** can undertake activities in **formal education**. They can establish schools or institutes of higher education. They can also give infrastructure and resource support to these institutes.

10.3.2.4 **Pharma companies** could undertake **collaborative projects with pharma and medical colleges** like research, setting up laboratories, practical training centres. These companies could also help by way of scholarships to the underprivileged students intending to take up courses in health sciences.

10.3.2.5 **Auto ancillary and engineering** companies should set up **ITI's and technical training institutes** as done by Bajaj Auto and Bharat Forge. LABS is a tailor made program which they could undertake.

10.3.2.6 **IT & ITES industries** should extend the scope of its activities to communities beyond their vicinity. Considering the need and urgency of IT education they can undertake training programs in rural areas.

10.3.2.7 **IT & ITES companies** can take advantage of their core competency and infrastructure to undertake **distance learning programs** for a broader outreach.

10.3.2.8 Thyssenkrupp industry ltd. and Vanaz Engineering companies should undertake CSR with a serious approach. The must increase their activities and make them strategic. They can partner with NGO, CII, FICCI or Dr Reddy's Foundation for the LABS program.
10.3.2.9 Polymer company Garware wall ropes ltd can establish a model school alike Fleetguard Filters. They can also sponsor needy students to take education in the college and school they presently own.

10.3.2.10 Electronica Machine Tools ltd. should continue their entrepreneurship development training to make it more scalable. They can also adopt an ITI for training the needy in machine tools.

10.4 SPECIAL SUGGESTIONS

The researcher suggests some distinctive ways for all the industries to engage in meaningful education CSR.

● Companies can undertake school education in two ways:

i. Public Private NGO Partnership : As done by Thermax ltd.

    The company adopts a government school, manages it and provides for resources. The company can do this with the help of an NGO which specializes in innovative pedagogy. This will enable to retain the government fee structure, follow the government curriculum and exam pattern, have professional and effective management and deliver results.

ii. Independent School on an innovative model : As set up by Fleetguard Filters Pvt ltd, Wai, District Satara, Maharashtra

    Establish a school for the underprivileged by forming a trust. Take its entire responsibility, from funding, resourcing to managing. Give the academic responsibility to a NGO which specializes in innovative teaching practices.

● Companies can undertake higher education in these ways:

i. Setting up their own colleges/institutes with minimum fee structure, with free education for the underprivileged. This could be done either by forming a trust or setting up sec 25 company.

ii. Collaborating with the Universities on long term strategic basis to undertake research and develop industry oriented academic
iii. Establishing community colleges offering tailor made programs to local needs, i.e. short term vocational courses

iv. Set up distance education, open and online learning centres for a broader outreach. This could be done by IT & ITES companies

v. Set up entrepreneurial development centres or institutes which will ultimately help the corporates in backward and forward integration.

vi. Symbiotic interaction with the colleges or institutes. This can be done either by developing employment oriented courses for developing grass root skills, vocational and entrepreneurial skills.

vii. Professor partnership program (as in NVIDIA), where the corporates take the responsibility of training the professors in the industry required skill sets, empowering them to impart these skills to their students.

viii. Teacher training: considering the shortage of school and college teachers, the corporates can establish teacher training colleges.

- Companies should engage in more in non formal education, specifically skill development as there is tremendous shortage of skills (refer to chapter on "Education: A Bird's Eye View")

![Fig. 5: Target beneficiaries in skill development](image-url)
i. **Public Private Partnership in ITI:** companies should adopt Government ITI's and operate them as done by Bharat Forge, at Khed, District Pune

ii. **Collaborate with the CII** (Confederation of Indian Industries), **FICCI** (Federation of Indian Chambers of Commerce and Industry) and **National Skill Development Corporation of India** to undertake skill development activities. Skill development needs an ecosystem which is employer and industry driven. The corporates can provide for financial resources, infrastructure, faculty, curricula developers and assessment experts.

iii. More corporates should **associate with NGO's** for imparting employability skills to the school dropouts.

iv. Industries in Pune city should **engage on large scale in women education** and their skill development.

v. **Entrepreneurial development** should be undertaken with a serious approach. Industries in Pune city could do this effectively by collaborating with MCED (Maharashtra Centre for Entrepreneurial Development) or MITCON in either designing, managing and funding their programs or initiating their own programs. The industries can also set up incubation centres in educational institutes.

vi. More companies should **initiate infrastructure support or resource sharing.** They could either set up laboratories in IT colleges (as done by NVIDIA), technical colleges, medical colleges or conventional colleges (commerce laboratory, science lab etc)

vii. Companies should undertake **programs of LABS** (livelihood Advanced Business School, developed by Dr. Reddy's Foundation). These programs focus on enhancing employability skills such as IT, Hospitality, micro irrigation, security services, preprimary teachers training, retail sales etc.

Dr. Raghunath Mashelkar says, “Today a company should do business by doing good rather than doing business and doing good” *(personal interview on 31/08/2011)*
10.5 **SCOPE FOR FURTHER RESEARCH**

Corporate social responsibility is an evolving concept in the organizations in India and therefore there is tremendous scope for research in this area. Similarly, CSR in education is gaining importance as a priority CSR issue and its various aspects could be studied. The researcher suggests some areas in which further research in this field can be undertaken:

- A study of cost benefit analysis of CSR in education could be undertaken.
- An in depth study of CSR evaluation systems in education CSR could be undertaken.
- CSR model building, social audit and reporting systems are some specific areas in which further research could be done.
- A comparative study of public and private sector industries could also be done.

10.6 **CONCLUSION**

Corporate social responsibility is emerging as a significant function in the corporates in India. The concept of 'trusteeship', propagated by Mahatma Gandhi is now evolving as a strategic responsibility in most of the large scale corporates in India which contribute majorly in the economic development of the country. However, considering the ascending growth of the corporate sector and lack of enthusiasm of the government towards development, it is important that the corporates in India make CSR an integral part of their business. In this way they can become partners in development of our country.

India’s ranking in Human Development Index today is 134. This reflects the poor development of its most important development indicators, health and education. Inspite of having an aim of inclusive education and ‘education for all’ the approach of government towards education is apathetic. It is steadily withdrawing from the development sectors mainly education which
actually needs to be seriously catered. By undertaking education CSR, the corporate sector can contribute in a meaningful way towards inclusive education meeting the challenges of equity, access and quality. If the suggestions given by the researcher are implemented the corporate sector can achieve the goals of education and the Indian economy will be a knowledge economy. By undertaking serious education CSR initiatives, the corporate sector can be an important catalyst in human capital formation.