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CHAPTER- 5

CORPORATE SOCIAL RESPONSIBILITY IN ACTION

“Corporate Social Responsibility 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.

Being socially responsible means not only fulfilling legal expectations but also going beyond compliance and investing ‘more’ into human capital, the environment and the relations with stakeholders.

(…) Corporate Social Responsibility should nevertheless not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation.” (EU Commission 2001, 8)

5.1 Brief profiles of CSR activities of some companies studied

The following list is chosen randomly from the list of 50 companies under study and is in no manner indicative of the fact that the others do not engage in CSR in some form or the other. It is only meant to be a bird’s eye-view of the practices encountered in the different companies by the researcher during the course of the study and the learning garnered there from. The information hereunder is in the public domain on the company websites.
Bajaj Auto is committed to nation-building and contributing to the uplift and development of the weaker sections of society. This is a legacy of our founders, Jamnalal and Kamalnayan Bajaj. Because of their close links with Mahatma Gandhi and the freedom struggle, they sincerely believed that as businessmen they were trustees of the community and the profits they earned must be ploughed back for the development of the community. This is executed through the medium of these three agencies:

a) Jankidevi Bajaj Gram Vikas Sanstha (JBGVS): Bajaj Auto’s philanthropic activities among the rural poor are carried out by a trust, the Jankidevi Bajaj Gram Vikas Sanstha (JBGVS). This trust was formed by Ramkrishna Bajaj in memory of his mother, Jankidevi Bajaj.

JBGVS acts as a catalyst to development at the grass root level in 32 villages around Bajaj Auto’s Pune and Aurangabad plants.

JBGVS is a non-political and secular organization, which strives to improve the quality of life of the rural poor by creating self employment opportunities at the grass-root level, through the use of appropriate technologies, in harmony with nature.

The trust initiates sustainable, integrated development through long term projects in rural health, hygiene and sanitation, education and
adult literacy, improving agricultural and livestock yield, watershed development and women’s empowerment.

Through its poverty alleviation schemes, the trust provides micro credit and income generation opportunities for the poor. These projects have a positive impact on the quality of rural living standards.

Under the auspices of the ‘model village scheme’ of the Maharashtra Government, JBGVS has assisted the development of several villages.

Under this scheme, NGOs, public institutions, colleges, hospitals, local self-government bodies and state government departments for agriculture and horticulture, work together to bring about a holistic and sustainable improvement in rural living conditions.

Implementation strategy:

(1) To ensure the involvement of the rural constituents, JBGVS relies on a participatory approach in implementing all its projects.

(2) In addition, the trust secures the participation of local elected bodies like the Gram Panchayat (village council), co-operative societies, women’s and youth bodies in decision making.

(3) JBGVS will undertake large-scale manpower development projects in agriculture, animal husbandry, dairy, horticulture, health, education and income generation projects to accelerate the pace of development activities.
The philanthropic activities aim an integrated development of these villages through women empowerment, income generation, health programs, agricultural extension, animal husbandry, watershed development, drinking water schemes, sanitation and education. JBGVS is now expanding its reach to a larger constituency of rural communities to help them improve the quality of their life. The trust is stepping up its projects encompassing agricultural extension services; lift irrigation, environmental, sanitation, veterinary services, health and education. The scope of the women’s self help groups is simultaneously being expanded to undertake a larger variety of income generation projects which help in raising and improving standards of living.

**Project monitoring:**

JBGVS has an elaborate follow-up and monitoring mechanism for all its programs, which functions at three levels. On the field, project organizers conduct weekly monitoring sessions with the field staff. The executive trustee and secretary of the trust meet the staff at each project every fortnight to evaluate its implementation. Finally, the chairman and the board of management of JBGVS apprise themselves of the progress of the project every quarter.

b) Samaj Seva Kendra: Social activities in semi urban areas on the outskirts of Pune are undertaken by the Samaj Seva Kendra (SSK), set up by Bajaj Auto in 1975. SSK provides local industrial workers with opportunities for self development, education, healthcare, sports and
recreation. It involves local institutions and municipal bodies, local Rotary Clubs and NGOs in its activities.

SSK has helped empower wives of factory workers by providing them earning opportunities. SSK also organizes weekly medical consultation and health awareness programs, child and adult education, vocational training and personality development programs, leisure and recreational facilities for women.

c) Kamalnayan Bajaj Hospital: A modern, 135-bed hospital at Aurangabad in Western Maharashtra, the Kamalnayan Bajaj Hospital provides high-quality secondary and tertiary healthcare and specialist facilities under one roof.

5.1.2 BHARAT FORGE LTD.

Bharat Forge Limited (BFL), the flagship company of the Kalyani Group, is a true world leader when it comes to delivering innovative auto-component solutions. Since commencement of operations in 1966, BFL has achieved several milestones and is today among the largest and technologically most advanced manufacturer of Forged & Machined components. As one of India’s emerging multinationals, the company has manufacturing operations across ten locations and six countries – 3 in India, 3 in Germany and one each in Sweden, Scotland UK, USA & China.
At Bharat Forge, a global business perspective goes hand-in-hand with a local community focus. Their emphasis on building strength and adding value extends beyond their customers and products, to the communities and neighborhoods they work in.

Bharat Forge community relations program consists of a dynamic combination of associate volunteer efforts and corporate giving / community activities.

Their community involvement reflects their values as a corporation. Most of Bharat Forge’s community and business contributions, sponsorships and volunteer activities support educational, youth-focused initiatives programs that have a direct impact on the future workforce.

- The Kalyani Group Community Centre is where the benefits of industrial progress are enjoyed by the employee and his / her family. The centre is a space for social emancipation, recreation, and income generation. Run with a professional attitude toward community development, the activities of the community centre include:

- Income generation for women, a variety of vocational training programs, personality development camps and day camps for the women for training in Communication Skills, Health / Nutrition, Time Management, Bank / Postal Transactions, dealing with Alcoholism, Yoga, visit to social institutions / industry, Skill development programs, Medical check-ups, Health and safety related programs,
AIDS awareness programs, Cancer Awareness Lectures and Extracurricular activities, Camps for children, Home Management Course for adolescents, Competitions etc.

- The Kalyani Group has initiated a Teacher's Training Program for teachers from schools situated at Mundhwa, Hadapsar and Vadgaonsheri.

- In India, there has been an upsurge for the development of non-conventional energy projects for quite some time. To further strengthen their commitment to environment, they ventured into the Green Energy Concept - one of the best and fastest ways to generate power by non-polluting wind as the source of energy.

- Implemented in phases from 1998 onwards, today these wind turbines are generating 50 million units annually and supplying power to Bharat Forge. Located in the picturesque Sahyadri ranges, the wind farm currently meets most of their power requirement, which is green energy, and has no pollution element. They manufacture all products using this green energy, thereby contributing to the environment too.

**Bharat Forge is committed to:**

- Preventing pollution, maximizing recycle and reducing wastes, discharges and emissions generated by processes.

- Conservation of natural resources by using them in a responsible and efficient manner across all operations.
- Encouraging tree plantation and promoting green belts and lush green surroundings at all manufacturing locations so as to work in harmony with nature.

- Simultaneously, Bharat Forge has been undertaking studies to monitor the effect of plantation on ambient air quality and sound levels, with the help of investigators from the school of Environmental Sciences, University of Pune. Collection of air and dust samples was done at 15 different locations in the premises. Chemical analysis of the sample indicated a very positive impact with lowering of pollution. Investigations are done on a periodic basis and results of investigations are made available to industrial houses and Government Agencies concerning pollution control.

5.1.3 CUMMINS INDIA LTD.

Cummins Group strongly believes in Responsible Corporate Citizenship. To convert this belief into active philanthropy, Cummins India Foundation (CIF) was founded to contribute towards the cause of socio-economic development in India. In line with their value of corporate responsibility, the Cummins India Foundation is involved in a number of projects both in the local community and in other parts of India where Cummins is operating. Though many projects receive financial support from the Foundation, Cummins is committed to the
active involvement and participation of its employees in its corporate responsibility initiatives.

Each project falls under one of their high priority areas:

- Higher education
- Energy
- Local Community Infrastructure Development

A senior member of the leadership team is appointed as a Senior Sponsor for each key initiative, who encourages employees to contribute their own time and resources to drive the success of selected initiatives. Additionally, other stakeholders like suppliers and dealers are also encouraged to participate in foundation activities through monetary and other contributions.

The areas where they are at work are outlined below:

- Cummins Diesel India Foundation joined hands with 125 year old institution viz., Maharshi Karve Stree Shikshan Samstha, Pune for setting up engineering college exclusively for girls. Today, the college is one of the highly rated engineering colleges and the only one of its kind in India.

- As against the notion of standard schools with buildings and infrastructure, CDIF helped the noble cause of taking the school to the doors of the street, slum, construction site children with no means of
entry into formal school level education. The school tries to teach them formal education with the help of audio visual mediums in the fields of environment, cleanliness, pollution, population, adult education, etc.

- Cummins employees under CDIF banner visited a 325 years old Temple which was in a bad shape and helped in its upkeep.

- Disaster Relief during Gujarat earthquake in which thousands of people died.

- Cummins has been involved in water related issues whether it is drinking water needs of a School or the search for water of villagers to bringing Natural spring-water to their doorstep to the Environmental Technologies in hot arid zones.

- Cummins activities target employees and their family members, school-children and teachers, and aim at enhancing the capabilities of the younger generation to face new challenges in the years to come. They also cater to women and socially, physically and economically challenged people.

- CIL as a responsible corporate citizen is involved in various community development activities, such as Family Development Circles, Nature Club, Tree Plantation, Trekking, Blood Donation camp etc.

- For greater involvement of CIL employees, Cummins Employees' Community Involvement Group was formed. They undertake various
projects for social development, such as, educational support to needy students and schools, monthly contribution to HelpAge India, helping Anandvan (working with the physically challenged people) of Dr. Baba Amte, and nearby Blind School for Girls at Kothrud, etc.

- The concept of Family Development Circles is aimed at cultivating an environment that encourages learning and growth of the individuals and society at large. Various art and skill classes and classes on Yoga, health and medical information, child-care, social issues, computer awareness, changing world and technologies, etc. are conducted. The circles are run for and managed by the employees, their families and the community too.

5.1.4 EMCURE LTD.

Established in 1981, Emcure was born out of the vision to create a healthcare company that would address the vast healthcare needs. Emcure’s Vision is to manufacture innovative, high-tech products, which will satisfy the needs of customers. In order to achieve this Vision, Emcure creates value by executing a comprehensive business strategy guided by the following key beliefs:

- Emcure will strive to develop novel products and offer sound advice to doctors and patients.
• The company will display strong social responsibility and lead as a model corporate citizen

It has grown from a single manufacturing facility to a range of world class manufacturing facilities and one of the top Indian pharmaceutical corporates in the domestic industry. Headquartered in Pune, India, Emcure is a vertically integrated pharmaceutical company with infrastructure, skills and resources that are at par with the best in the world. The company has carved a niche for itself as a preferred outsourcing partner for some of the largest MNCs both in India and global markets.

Emcure also researches, manufactures and markets formulations under its own brands in the domestic market and exports its own formulations to Asia, Africa, CIS, Europe, Latin America and the Middle East. Corporate performance goes hand-in-hand with social responsibility at Emcure.

• Emcure is also very active in dealing with HIV/AIDS concern through its "Let's fight AIDS together" initiative and supplies Antiretroviral drugs to Africa, Asia Pacific and CIS. They work in close coordination with several Governments and NGOs in undertaking AIDS Awareness Programs.

• Care & Support cell is established by Emcure to enhance the reach of Corporate Social Responsibility (CSR) initiatives taken for the benefit of People Living with HIV (PLH). First of such initiative under Care
& Support cell was opening of TAAL in January 2006 at Pune. TAAL is an exclusive pharmacy that is run by positive people for positive people. TAAL provides uninhibited access to Treatment, HIV medication at low cost and, counseling.

- At Emcure's research facilities, a number of post-graduate students are being sponsored for their higher studies thereby contributing to the knowledge capital of the country. Emcure has the privilege to be the exclusive industry partner of an anaemia control program jointly implemented by FOGSI (The Federation of Obstetrics & Gynecological Societies of India), WHO & UNICEF for adolescent anaemia elimination.

- Their corporate social responsibility is aimed towards increasing the awareness on anaemia, its early detection, and timely treatment of Iron deficiency in various sections of Indian population especially young school children and the less privileged sections of society. They support the 12 x 12 initiative by sponsoring the haemoglobin detection, providing leaflets and case records and also providing samples for the girls for at least two months duration.

5.1.5 FORBES MARSHALL LTD.

In the last five decades Forbes Marshall has grown from a modest, Mumbai based trading company to a multi-divisional, ISO 9001
certified global company manufacturing advanced engineering products for process industries across the World.

Over the years, Forbes Marshall has believed in the philosophy of contributing and giving back to the community it operates in. Thus when the factory was originally set up in Pune in 1958, Darius Forbes felt it was insufficient to merely purchase land from the farmers who were the original owners of the land, it was necessary to now actively and positively contribute to the community the company would be operating in. So the first jobs in the company were offered to relatives of the farmers who were then trained for operation and machining skills.

- The company’s first practice of this philosophy was the establishment of the 35 – bed fully equipped hospital called Shehernaz Medicare Centre.

- Through Medicare Forbes not only provided the community with health care, but also assisted people who may suffer from socioeconomic or psychological problems by providing counseling, legal referrals, etc. Forbes also has a facility to provide counseling for substance abuse.

- The company conducts better life programs, in which it facilitates training for women and adolescent girls in the areas of family life education, health, nutrition, childcare and vocational guidance.
- Forbes initiated the idea of self-help groups among women in 1997 for becoming self-reliant. Now there are a number of such groups thriving in the community, independently collecting savings, disbursing loans and keeping account of their savings. A lot of women have started their own successful businesses by taking loans from their groups.

- Within the suburb of Kasarwadi lighting was provided on lanes leading to homes as well as basic sanitation facilities were looked into. The company also assisted in providing good housing facilities as well, to those who moved into this area.

- Presently the social initiatives of Forbes Marshall are located in three main geographical areas of Pune – Kasarwadi the industrial suburb where the main factory lies, Morwadi an urban slum adjacent to the factory at Pimpri (6 kilometers away from the factory at Kasarwadi) and Bopkhel village inside the CME campus at Dapodi (about 5 kilometers away from Kasarwadi).

- Most of the initiatives are in the areas of health and education encompassing not just child and adolescent education but also attitudinal and personality development, legal rights, awareness building and skill training for women as per their interest levels such that there can be additional incomes in the homes and finally life skill education initiatives for adolescents.

- Forbes Marshall usually partners with NGOs (non profit organizations) who have the expertise in various areas as well as like
minded philosophies and thoughts on how to make positive changes happen in the lives of the people they are touching.

- The company does not decide what is needed by the target audience, rather a participative technique is used – this is where the group, over a workshop spanning 2-3 days, actually talks about their overall vision, the impediments that are preventing that vision from happening, what needs to change (within themselves – or on issues within their control) – finally, action plans are made and people are distributed into smaller groups who work on the plans in a time bound manner. The company acts as a catalyst in making the changes happen. In January 2006, Forbes Marshall won the "Social Impact Award" for 2006 instituted by the SP Jain Management institute, Bombay.

5.1.6 KIRLOSKAR OIL ENGINES LTD.

In the 100 years and more that the Kirloskars have been in existence as a family and as an organization, they've been seminal to Indian agricultural and industrial development. They gave India its first iron plough, pump and engine; inventions that were devised from the need of the hour and went on to become signs of the time. Which is why the group history can in many ways can be considered a history of the economic and industrial revolution in India.
The Kirloskar story starts with Laxmanrao Kirloskar, the founder, a man who believed that an understanding of one's environment and reality was essential to the manufacture of path-breaking industrial implements.

Today, the Kirloskar Group is a conglomerate with interests across a diverse range of industries like manufacturing, oil and gas, power, construction and mining, agriculture, industry and transport. Each company is a renowned name in its own area of operation and is respected worldwide for its services and products. It is still spurred by the simple yet profound ethic born with Laxmanrao Kirloskar that where there is a will there are many ways.

The philosophy of Kirloskar has at its base the idea that all industrial endeavors must positively impact life and society around it. It is a confluence of mind and matter to create and generate such power, which can impact human life in a positive way.

The group’s commitments are a part of the imbibed values and ethos they follow to meet their goals and the customers' expectations.

**Environmental Protection at KOEL:**

- KOEL is the first diesel engine manufacturing company in India to get the prestigious EMS 14001 certificate;
• They have remade a PMC drain flowing from the factory premises so that proper flow is maintained and all water drains leading to drain except rainwater are stopped.

• All effluent streams are connected to ETP plant, where treated water meets stringent norms of recycled water so that water is used for gardening activity. Today, they are zero discharge company.

• Closed loop system introduced to all water consumption areas so that recycled water is reused again and again. This has reduced the water consumption from 92000 Kiloliters to 10000 Kiloliters per month.

• By adopting EMS systems, they have achieved substantial reduction in natural resources such as water, power, oils and wood during last three years.

• They have constructed a scrap yard where a facility for segregation of all waste materials, measurement of wastes & proper disposal of each category of waste for recycling to authorized recyclers is ensured.

• They have eliminated hazardous processes such as electroplating; phosphatizing etc. thus, helping them curtail the use of hazardous chemicals.

• Their efforts have made them successful in creating awareness regarding the environment in all the employees and are also continuously training them for awareness regarding environmental matters. The result is that a Kirloskar employee is highly aware about
environment care and is a regular participant in environment protection exercises.

Societal Initiatives at KOEL include:

- **Education:** Awards to first 3 meritorious students passing IXth Standard of identified schools in the community; Study visits of students to companies from nearby schools; Formation of group of adolescent named Bharari Group in nearby communities; Financial support for education to two orphans from BSSK (Bhartiya Samaj Seva Kendra); Computer Awareness camp for school children as well as women from near by communities; Company visit for women group from near by communities.

- **Health:** Health check-up camps for children and eye check-up camps for senior citizens and free spectacles distribution in near by communities; Distribution of raincoats to school going children from near by communities; workshop on Health Awareness for community women group; Yoga Awareness Camp for women group from near by communities

- **Environment:** Encourage tree plantation by distributing saplings; Free pollution check of two wheelers for students from near by college.

- **Others:** Various Workshops on Income Generation activities for women from near by communities; Training on Livelihood generation for youths from near by communities; Supporting “Save the Girl Child
Campaign by putting posters in the near by communities; Sports event (Cricket Tournament) for near by community Youths.

5.1.7 MAHINDRA & MAHINDRA LTD.

The US $6 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top three tractor manufacturers in the world. Mahindra is the market leader in multi-utility vehicles in India.

The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade and logistics, automotive components, information technology, and infrastructure development.

With over 62 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution. The Group employs over 50,000 people and has several state-of-the-art facilities in India and overseas.

The Mahindra Group has ambitious global aspirations and has a presence on five continents. M&M has also entered into partnerships with international companies. Forbes has ranked the Mahindra Group in its Top 200 list of the World's Most Reputable Companies and in the Top 10 list of Most Reputable Indian companies. Mahindra has
been honored with the Bombay Chamber Good Corporate Citizen Award for 2006-07.

The Mahindra Group defines Corporate Social Responsibility as making socially responsible products, engaging in socially responsible employee relations and making a commitment to the community around it. At the Mahindra Group, Corporate Social Responsibility is a way of life. To quote Mr. Keshub Mahindra, Chairman of Mahindra & Mahindra Limited, “In the Mahindra Group Corporate Social Responsibility (CSR) has been basic to our philosophy since our birth in 1945. It has been an intense but deliberately low profile activity based on the belief that social responsibility is a privilege and not a portal for publicity.”

- In 2005, the Group celebrated its 60th anniversary by renewing its commitment to Corporate Social Responsibility. It pledged to dedicate 1% of its profit (after tax), on a continuous basis towards Corporate Social Responsibility. The focus of their CSR efforts is particularly on education, employment and environment. They want to impart skills that make people employable and to help create a cleaner and greener world.

- A unique kind of ESOPs - Employee Social Options was launched to enable Mahindra employees to involve themselves in socially responsible activities of their choice. The Group also announced a special gift: to provide free cochlear implants to 60 profoundly hearing-impaired, under-privileged children.
In addition to giving impetus to the Nanhi Kali project for the girl child and the Mahindra All India Talent Scholarship for the economically disadvantaged.

The Mahindra Group has set up Mahindra Pride School to support the government mandate for affirmative action for working with socially disadvantaged sections of society. This school offers a variety of courses, with an emphasis on employability, including training for Information Technology, Retail, Automotive Engineering etc. to provide new skills and capabilities to the weaker sections of society, particularly the scheduled castes and scheduled tribe youth. The Mahindra Pride School, near Chinchwad outside Pune, provides livelihood training to 600 young men every year from schedule castes, scheduled tribes and other backward castes.

The Mahindra United World College, on the outskirts of Pune, supported the enrolment of three children from a nearby village into American universities. While these projects are already underway, plans for more social initiatives are on the anvil.

Mahindra Forgings, Chakan has developed a CD titled Teen Prashna Ek Uttar – an entertaining and enlightening visual journey about health and hygiene. It is targeted at village level – primary school children who are often unaware of basic hygiene factors. The CD will be screened at schools in and around Chakan. The Chakan Project Office, Pimpri, Pune presented ten fully functional desktop computers to the Don Bosco Technical Institute, Chinchwad.
Satyam is a leading global business and information technology company, delivering consulting, systems integration, and outsourcing solutions to clients in over 20 industries. Creating value for the society is an integral part of Satyam’s business, and contributing to the well-being and development of the society is considered as an obvious extension of what Satyam does.

Reaffirming its role as a contributing member of the social and economic milieu it occupies, Satyam believes in aligning its business operations with social values. Satyam renders specific services through various development projects delivered by its Corporate Social Responsibility (CSR) arm, Satyam Foundation.

- Satyam Foundation is committed to transforming the lives of the underprivileged in urban areas. Satyam Foundation supports and strengthens the vulnerable and underprivileged sections in urban areas for transforming the quality of life through technology and volunteerism. It is committed to leveraging the power of IT to bridge the ‘digital divide’ that limits opportunities for success and prosperity, and thereby, transform lives of the underprivileged. All the initiatives of the Foundation are targeted towards the urban disadvantaged population in all the cities where Satyam has a significant presence.

- Satyam Foundation has chapters in Hyderabad, Pune, Bangalore, Bhubaneswar, Chennai, Gurgaon and will be opening chapters shortly
in the UK, Australia, China and US. Their Core Values are “Involving People, Applying Knowledge and Making things happen.”

A Snapshot of achievements includes:

- The largest corporate volunteering program in the country
- 11,644 registered volunteers
- 217 Magnificent Seven-teams
- Crossed 280,000 volunteer hours
- Largest corporate Blood donor to Red Cross across three cities: Hyderabad, Chennai, and Bangalore
- Support to 500 Thalassaemia children with fresh blood whenever required
- Winner of Business world FICCI-SEDF 2006 award for ‘Best Corporate Citizen’
- Winner of TERI Corporate award 2006-2007 for CSR activities

**Satyam has been successful in incorporating technology in all its endeavors as is evident from the following:**

- Biometric solution using fingerprinting technology and webcam developed and installed in the Urban Health Posts
• Software application for electronic vision acuity for assessing the vision acuity developed for ophthalmologists and optometrists

• Automation of Anti Retroviral Treatment process for HIV/AIDS patients undertaken

• State-of-the-art technology used for 104 Health Management Research Institute

• Successful incubation of 108 – Emergency Management Research Institute

**Key Differentiators of Satyam’s CSR initiatives are:**

• Use of Technology and processes—Satyam’s core strength—to bring in corporate competencies and focus to the social sector to create the maximum impact with minimal effort

• Volunteering is the focus to reach out to society

• bring value wherever there is a gap - Identifying market segments, creating and testing a pilot and quickly scaling up with the help of other partners or the government

• create enabling platforms in all the areas they choose to work in, where people with focus on Social transformation can come together to create Synergy

*The foundation has identified the following areas of work, addressing critical issues for the benefit of society:*
• **Environment:** Satyam aims to have 10 percent of the population in its adopted cities score higher than 80 percent on the Environment Sensitivity Index by March 2009. They perceive urban development factors that aggravate climate change and traffic, transportation, green spaces, energy, water, and waste management the following as the challenging issues. Their efforts are geared towards these issues.

• **Education:** The Education Forum of Satyam Foundation focuses on improving the quality of education in primary schools, upper primary schools, and high schools run by the government through various initiatives and service offerings. The Foundation improved all-round classroom performance by 10 percent by March 2007, an initiative that affected 32,000 students from 250 Schools in Hyderabad, Chennai, Bangalore, Bhubaneswar, and Pune. Volunteers for special events took part in notebook distribution, Science Education Kits donations, furniture and computer donations, visits to schools, inter-school competitions, a 45-day learning to read program, access to the latest educational methodologies and technology to children from low socioeconomic communities quality learning opportunities special weekend classes, motivation tours, screening of disabled children and medical camps for them and plays to promote relationships among people whose communities suffer from a history of cross-cultural tensions etc.

• **Health care:** To ensure easy access to primary and secondary healthcare for slum dwellers by providing support services at four urban health posts by March 2006 and continuing until April 2009.
They provide primary healthcare for the urban poor, healthcare related to non-communicable diseases, awareness and education about primary healthcare, the importance of hygiene, and preventive measures.

- **HIV/AIDS**: According to the United Nations, more than 40 million people are infected with HIV. Of these 26 million of them who are between the ages of 15 to 49 are in the prime of their working lives. More than 5 million infected people live in India. HIV is an epidemic in Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu, Manipur, and Nagaland. Satyam Foundation began educating Satyam Associates on HIV/AIDS, and its consequences. This led to the building of a program at the state level. This is accomplished by disseminating information, education and communication, workplace policy interventions on HIV, care and support to people with HIV, research and advocacy.

- **Livelihoods**: Satyam Foundation implemented a placement search engine (skill registry) that registers unemployed youth looking for jobs, and places them with reputable companies in Hyderabad.

- **Street Children**: Provide support services through partners to restore vulnerable children back to their families or place them in institutional care in Satyam locations. This is done by partnership with NGOs and agencies, creating awareness both internal and external, educational and entertainment activities, IT support—Website creation, networking, training staff, and children in IT courses/other skills,
capacity-building trainings for children and staff of NGO, Research on behavioral change and development of vulnerable children etc.

For each of these areas the Foundation has a Forum, consisting of a small core of Foundation members, extended by the large force of Satyam Volunteers.

Satyam has a “fellowship commitment measure” for volunteering by its associates, where the target is that 10% of Satyamites spend at least 10% of their personal time in CSR activities.

Satyam Foundation carries out its programs primarily through Satyam Volunteers, following a three tier Pyramid model that comprises:

- A base of large number of volunteer-driven events: Large number of Volunteers (requiring generic skill, small time-commitment, one-time volunteering also fits in).

- A narrower next level of activities; higher volunteer engagement (specific skill, longer time duration, ongoing); Magnificent seven volunteers and full timers.

- A top level of advocacy for right causes at right places, using Satyam strengths.

- In line with Satyam’s standards for doing quality work, Satyam Foundation has initiated a unique process to improve efficiency in volunteering projects, by using the full-cycle leadership concept.
The magnificent seven (M 7) are a team of about seven volunteers, who take ownership of a project under a forum. The team identifies requirements and provides full-cycle leadership to the identified project, and implements it with other volunteers and Foundation forum members.

In addition, Satyam also reaches out to the society through its Corporate Social Responsibility partners:

- Byrraju Foundation: An NGO dedicated to social transformation in rural areas.

- Emergency Management and Research Institute (EMRI): A not-for-profit organization, providing emergency response services for Police, Fire and Medical emergencies, through the ‘108’ emergency call service.

5.1.9 **SKF INDIA LTD.**

SKF India is a part of the SKF Group, the leading global supplier of rolling bearing and seals. Their Mission is to be the preferred company for their customers, distributors and suppliers by delivering industry-leading, high value products, services and knowledge-engineered solutions; for employees by creating a satisfying work environment where efforts are recognized, ideas valued, and individual rights
respected; and for shareholders by delivering shareholder value through sustainable earnings growth.

SKF India takes great pride in initiating various activities that reflect SKF's sustainability drive.

- The company continues to contribute towards Nachiket Balgram - an orphanage that provides educational facilities to 55 children up to Class IV. The organization strives to better the lives of these children by providing them with basic amenities such as beddings, raincoats, academic and sports material, and food grain for the orphanage. In addition to this the company also continues to support Udyog-dham - a shelter for children of leprosy patients.

- Sports present a world of opportunities to children- a belief strongly supported by SKF India which partnered with the Gothia Cup, a platform that allows children from across the world to showcase their talent in football.

- SKF India has also instituted a sports academy for children from underprivileged families. The sports academy provides a platform that allows the children to direct their energies into a constructive and productive activity. It is the children from this institute that have emerged as winners in the Gothia tournament.

- In keeping with the theme of a sustainable future, they started another initiative - Rain Water Harvesting at factory locations in Pune and Bangalore.
Sterlite is a leading global provider of Optical Fibers, Telecommunication Cables and Power Transmission Conductors. The Company is India's only integrated Optical Fiber manufacturer and is among the select few globally. Sterlite's commitment extends beyond business. They aim to develop and manage their telecom & power businesses to provide attractive returns to shareholders whilst carrying out their activities in a socially and environmentally responsible manner and creating value for the communities where they operate.

Sustainable development principles are fundamental to their approach. These principles require them to monitor and reduce social and environmental risks, to improve efficiencies in the use of resources, to minimize pollution and to create partnerships with local communities.

- The Company undertakes various activities based on an assessment of the needs and aspirations of the community and has allocated 1% of its annual net profits towards these projects. Management of the environment, health care, educations and the community at large is central to the Company's ideology.

Their sustainable development initiatives span some of the villages in the remotest locations in Maharashtra & Union Territory of Dadra & Nagar Haveli, India reaching out to more than 26,000 people. Some of their projects include:
- **Education:** Tailoring Course for underprivileged women, Teachers Training Program, Training in manufacturing of Cottage Industry Products.

- **Health:** Cataract Operations, Mobile Dispensary, Health & Nutrition Camp, Drinking Water & Sanitation Facilities, Hearing Aids for Students.

- **Environment:** Some of the environment management initiatives include construction of 5 check dams in drought-stricken villages, which are now capable of storing about 35 TCM of water, radically changing the economic potential of the villagers. The following is from the Sustainability report of the firm for the year 2006-07:

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<table>
<thead>
<tr>
<th></th>
<th>Education</th>
<th>Health</th>
<th>Environment</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Tailoring Course for underprivileged women</td>
<td>Cataract Operations</td>
<td>Construction or Check Dams</td>
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<td></td>
<td>Teachers Training Program</td>
<td>Mobile Dispensary</td>
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<td></td>
<td>Training in manufacturing of Cottage Industry Products</td>
<td>Health &amp; Nutrition Camp</td>
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<td>Drinking Water &amp; Sanitation Facilities</td>
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<td>Hearing Aids for Students</td>
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<td></td>
<td>11,000</td>
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<td></td>
<td></td>
<td></td>
<td><strong>TOTAL</strong> 26,383</td>
</tr>
</tbody>
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**Fig 5.1 CSR Expense Outlay 2006-07**

- Although a large proportion of the focus has been on environment management and health care, they continue to develop and support education and women’s empowerment.

- In order to assess potential projects to undertake and also to ensure implementation, monitoring and sustenance of the same, they have
formed teams at every manufacturing location. The Management and
the teams remain committed to the projects initiated in the past and
strive to make a positive impact on the community.

5.1.11 SUZLON ENERGY LTD

The Suzlon story began in 1995 with just 20 people; and in a little
over a decade has become an epic. A company of over 13,000 people,
operations across the America, Asia, Australia and Europe, fully
integrated manufacturing units on three continents, sophisticated R&D
capabilities and market leadership in Asia, ranked 5th in terms of
global market share.

Suzlon provides innovative, efficient and customized wind power
solutions that drive economic development, while preserving nature
and mitigating the effects of unbridled development – creating a more
sustainable, greener tomorrow. Corporate Social Responsibility (CSR)
at Suzlon starts at where they have ‘Presence’. Presence in the terms
of ideological presence, business presence, core expertise as well as
physical presence i.e. at the place within where they are and extended
to the village boundary/ ward/ city within which they operate.

Suzlon has undergone an orientation transitioning from ‘Charity &
Philanthropy’ to ‘Universal Beneficence’ through strategic partner
mode, with the motto ‘Dignity for all’. They believe that philanthropic
acts are not CSR. Inclusive and ethical business practices are. Where
the largest issues and the smallest of details are integrated and revolve around an inclusive & ethical core. They believe CSR is integral and not something that is done in addition to. It is practiced because they realize that the ownership of doing so rests with them as an organization.

Keeping this attitude in mind their vision is to leverage opportunities towards powering a greener tomorrow; being an agent of positive and sustainable change in the areas of operation whether it is ideological or with the people they are in touch with.

Their mission is to move towards the state where being a socially and environmentally responsible citizen is integrated within all their day to day business processes.

Some guiding principles towards their targeted population are empowerment through self reliance; improving the lives of the underprivileged and ensuring synergies. There are three large areas focused upon:

- **Socially responsible within** – CSR begins internally and expands outwardly. Focus on both content & spirit within and beyond the areas in which they function

- **Neighborhood Development & Community Engagement** - By nature of their business, a large portion of their operations is in remote areas and underdeveloped parts. They have made it mandatory upon themselves to first work at all the neighborhoods they are located at –
• Vision Championing – ‘Powering a greener tomorrow’ is to be integral in every initiative that they undertake.

Ongoing Initiatives

• Medical services are rendered by Suzlon for their employees and under privileged people in and around wind farms and manufacturing facilities.

• Blood donation camps are organized on a regular basis every year on 2nd February at various offices, factories and sites. Employees, local villagers and contractors participate enthusiastically during these drives.

• They organize awareness programs and events where they educate people and make them realize the importance of the wind energy sector.

• Suzlon co-sponsored an Energy Park for the Rajkot Municipal Corporation where the total sponsorship of the wind energy exhibits and area development was taken up by the company. They continue to identify and participate actively in such events. While undertaking various initiatives like observing safety week, they make it a point during that time to engage with the local community with the objective of creating awareness through engagement.
Suzlon Energy Limited (SEL), through its subsidiary Suzlon Wind farm Services, undertook a major new Corporate Social Responsibility (CSR) initiative, in the beginning of April ‘07, by launching a partnership with the Kutch Nav Nirman Abhiyan (KNNA) to gain support for an operational CSR framework for proactive development. The focus is on developing local crafts to enable the artisans to create marketable products and access better markets in India and abroad. Suzlon will support this initiative with amount of INR 3 lakhs, in the first year.

The second project will focus on health and sanitation services in the villages of Abdasa and Mandvi. Approximately INR 4 lakhs will be contributed by Suzlon for the effort. Under this project, the affiliate Trust will organize eye, dental, general surgery, ENT and gynecology camps free of cost across the project villages. The project will coordinate doctors and surgeons for providing care at the village centers, distribute preventive medicines, and also run awareness campaigns in the region.

The third activity focuses on their Vision of powering a greener tomorrow at their forthcoming corporate facility at Hadapsar, Pune. There are several ways in which buildings can be made more energy efficient, environmentally friendly, pollution free and socially uplifting. Measures to achieve these objectives are including the usage of solar water heating, using other renewable energy sources, energy efficient lighting, maximum use of natural ventilation, building design to suit convenience of disabled persons, water recycling and moving
from a typical office environment to an environment that encourages creativity and team work. These steps have been taken by Suzlon to make this vision a reality.

Notwithstanding receiving an award for the most outstanding CSR work done in India amongst organizations working within the sector in India (’04-'06) conferred by the World Institute of Sustainable Energy (WISE), they are putting their best foot forward in all their endeavors and are enthusiastically working towards the road ahead.

5.1.12 TATA MOTORS LTD.

Tata Motors Limited is India's largest automobile company. It is the leader by far in commercial vehicles in each segment, and the second largest in the passenger vehicles market with winning products in the compact, midsize car and utility vehicle segments. The company's employees are guided by the vision to be “best in the manner in which we operate best in the products we deliver and best in our value system and ethics.”

Established in 1945, Tata Motors' presence indeed cuts across the length and breadth of India. Tata Motors, the first company from India's engineering sector to be listed in the New York Stock Exchange (September 2004), has also emerged as a global automotive company.
True to the tradition of the Tata Group, Tata Motors is committed in letter and spirit to Corporate Social Responsibility. It is a signatory to the United Nations Global Compact, and is engaged in community and social initiatives on human rights, labor and environment standards in compliance with the principles of the Global Compact. Simultaneously, it also plays an active role in community development, serving rural communities adjacent to its manufacturing locations. With the foundation of its rich heritage, Tata Motors today is etching a bright future.

**Community Initiatives:**

- **Health:** In Jamshedpur, the Company provides medical treatment and rehabilitates leprosy patients through its Nav Jagrat Manav Samaj (NJMS) for the last 20 years. NJMS covers a population of 1.68 lakhs in 214 villages in and around Jamshedpur.

- **Traffic at Pune:** Due to the ever-increasing vehicular population in Pune city, Tata Engineering identified traffic and unsafe road condition as a major problem concerning all citizens. In order to manage traffic, the Company has taken proactive steps in forming a corps of volunteers who act as traffic wardens.

- **Rural Health:** The Company's Community Service Division works through various societies to improve the conditions of neighboring villages - encouraging economic independence through self-initiated cottage industries and contributing to community and social forestry,
road construction, rural health, education, water supply and family planning.

- **Rural Development**: The Company's Community Service Division works through various societies to improve the conditions of neighboring villages - encouraging economic independence through self-initiated cottage industries and contributing to community and social forestry, road construction, rural health, education, water supply and family planning.

- **Income Generation**: Tata Motors encourages self-sufficiency with the aim to improving the confidence, morale and lives of its employees and their dependents. The Company has worked on some novel ideas around its townships.

- **Environmental responsibility**: Tata Motors has led the Indian automobile industry's anti-pollution efforts through a series of initiatives in effluent and emission control. The company introduced emission control engines in its vehicles in India before the norm was made statutory.

If there is one attribute common to every Tata enterprise, it has to be the time, effort and resources each of them devotes to the wide spectrum of initiatives that come under the canopy of community development. The money numbers are staggering: by a rough estimate the Tata Group as a whole, through its trusts and its companies, spends about 30 per cent of its profits after tax (PAT) on social-uplift programs.
The Tata culture in this critical segment of the overall corporate social responsibility matrix — inclusive of working for the benefit of the communities in which they operate, of building the country's capabilities in science and technology, of supporting art and sport — springs from an ingrained sense of giving back to society.

The Tata tradition in community development has, since the earliest days of the group's history, been defined by the values embedded in its core. It never was charity for its own sake or, as group founder Jamsetji Tata put it, "patchwork philanthropy".

Reinforcing the implicit beliefs the group brings to its mission of sustainable development is an explicit set of structures, embodied most notably by the Tata Council for Community Initiatives (TCCI). A centrally administered agency that helps Tata companies through specific processes, TCCI's charter embraces social development, environmental management, biodiversity restoration and employee volunteering.

TCCI has, in collaboration with the United Nations Development Program (India), crafted the Tata Index for Sustainable Human Development, a pioneering effort aimed at directing, measuring and enhancing the community work that group enterprises undertake. TCCI is also involved in assisting Tata companies address the sustainability subject through the Global Reporting Initiative, a United Nations initiative that has guidelines for companies on social responsibility.
The Index is actually a set of guidelines for Tata companies looking to fulfill their social responsibilities, and it is the third set of such guidelines fashioned by TCCI. It has been built around the Tata Business Excellence Model (TBEM), an open-ended framework that drives business excellence in Tata companies.

No matter how elaborate, systems and processes cannot really capture the magnitude and dispersion of all that the Tatas do in the field of community development. From health and education to livelihoods and women-children welfare, from tribal hamlets in Jharkhand and the rural outback of Gujarat to the high ranges of Kerala and disadvantaged villages in Andhra Pradesh — the community work being undertaken by Tata companies touches a multitude of Indians across the land. Beyond purely social work, this support extends to individuals and institutions pursuing artistic and sporting excellence.

A different dimension of this social development doctrine shines through in the Tata support and backing that enriches the country's cultural and sporting spheres. In the field of art, this support has played a critical part in preserving and promoting every component of India's cultural heritage. The Tata backing for sports — in the form of academies for a variety of sporting disciplines, sponsorship of talented individuals, and organizations such as the Tata Sports Club — has helped countless Indian sportspeople realize their potential.
Thermax is a global solution provider in energy and environment engineering. It offers products and services in heating, cooling; waste heat recovery, captive power, water treatment and recycling, waste management and performance chemicals. Thermax's vision for the future is firmly anchored in the belief that to stay competitive, companies need to adopt the sustainable development practices. On this principle Thermax has developed energy-efficient and eco friendly solutions for industry and commerce helping customers improve their processes, conserve energy, increase their competitiveness and adhere to environmental norms.

Thermax equipment helps several tens of thousands of customers the world over enjoy increased profitability, and earn community goodwill by:

- Maximizing energy efficiency and slashing operating costs
- Minimizing waste
- Recovering precious resource from waste
- Keeping pollutants out of the waters and the air

In the words of their former Chairperson Anu Aga: "I would like our company to play a bigger role in community affairs with complete adherence to the tenets of good corporate governance. We will therefore actively commit to corporate social responsibility initiatives
to help improve the quality of life for the communities in which we live and work".

Thermax has been involved in a number of community development initiatives. Noteworthy among these are:

- Development of a cluster of villages in Malegaon, Pune, in partnership with an NGO over a period of 10 years.

- Imparting basic education to children from the slums in a joint program with a Mumbai based NGO - Akanksha.

- Annual sapling distribution drive in the city of Pune on World Environment Day.

- Financial and other assistance to social organizations like World Wildlife Fund, Child Relief & You, Cancer Patients' Aid Association, Poona Blind Men's Association, etc.

- Thermax has also recently created a department for community outreach activities and is in the process of streamlining the diverse social initiatives of the past. Their main focus is on primary education for the underprivileged.

5.1.14 ZENSAR TECHNOLOGIES LTD.

Headquartered in Pune, India, Zensar Technologies has marketing presence in US, Europe and Asia Pacific regions. The company has
operations and a customer base spanning across 18 countries. Zensar is a multi-cultural organization with a global workforce that has the experience of working across cultures and achieving a uniformity of purpose in the midst of diversity.

They have a stated people orientation in their personnel policies to accord empathy, respect and dignity to every Zensarian and create an environment where every committed and capable member of the organization is given ample rewards and opportunities for growth.

Social Responsibility is also an embedded value of their corporate culture. We will recognize, abide by and add value to the social environment, while embracing our responsibilities as a good corporate citizen in every country we operate.

An essential component of their corporate social responsibility is to care for the community. They endeavor to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Many of the community projects and programs are driven by active participation from their employees.

- The Social initiatives efforts started in 2002 with CRY partnership. Zensar management thought that the only contributing in monetary terms is not enough; there should be direct involvement of the employees in these activities. The Company formed Zensar Foundation, a registered trust which is presently continuing the
initiative with its own objective, mission & vision. It comprises of contribution from employees and the company. The Zensar cares team operates this trust. Their commitment to address important societal needs extends throughout their philanthropic outreach programs driven by the Zensar Foundation.

- Established for the purpose of improving, guiding and inspiring the lives of the underprivileged, the Foundation facilitates programs and gives direct assistance and resources to individuals, families and other charitable organizations. Nurturing experiences and personal opportunities are also provided for those in the community who have little or no access to any assistance.

- The Zensar Foundation has taken up several initiatives to improve living conditions of the underprivileged and make a positive difference in their lives. The Foundation has adopted Ambedkar Nagar, a small community near the Zensar Campus for sustained community development programs.

- Health and education have been identified as the primary objectives in the community development process. The foundation works relentlessly to ensure improvement of general health and spread of non-formal education among all members in the community.

- A number of focused initiatives have been implemented to bring about general health awareness and improve the level of education.
• **Health:** Health has been identified as a primary objective in the community development process. As a part of the healthcare initiatives weekly clinics, counseling sessions, health camps are regularly held to promote general health and well-being in the community. The health perils in the community are numerous and in order to treat some minor ailments and casualties, community members have been identified and trained to treat minor ailments.

• **Education:** Education has been a primary focus area for the foundation, and a number of initiatives have been designed to promote non-formal education in the community. Akanksha, a non-governmental organization that focuses on developing a strong educational foundation, deep sense of self-esteem and facilitates fun activities for underprivileged children has been identified to facilitate education and awareness.

• PMC schools have been given computers to promote IT education in the neighboring area of Chandan Nagar. Simultaneously, IT education programs have also been deployed to spread computer literacy within Zensar's support staff. The response to all these initiatives has been overwhelming and the foundation is now taking up more initiatives to address the requirement.

• **Livelihood Advancement Business School (LABS):** a unique program to create more opportunities for less privileged youth. Pune Corporate Consortium for LABS was inaugurated on April 4, 2006. LABS, a flagship program of Dr. Reddy’s Foundation (DRF),
promotes customized programs for youth and women in the age group of 18-30 years from economically weaker sections of society, and empowers them to gain access to opportunities for sustainable livelihoods and growth in the New Economy.

- This program is implemented in Pune with the help of organizations such as Thermax, Forbes Marshall, Confederation of Indian Industries – Young Indians (CII-YI) and Zensar Technologies in association with Pune Municipal Corporation to actively support this initiative. CII-YI is the primary coordinator of this activity that plans to train 300 young members in the coming year. This program aims to empower students who have discontinued formal education for various reasons.

- **NGO Partnerships:** In addition to the community initiatives, the Zensar Foundation has been working with various NGOs on multiple social programs for Pune. It has been associated with NGOs such as NFBM Jagruti School for blind girls, Surajya Sarwangeen Sewa Sanstha, Sahitya Rangabhoomi Pratishthan, SAATHI, Kagad Kach Patra Kashtakari Panchayat, Maher etc for development and social benefit.

- **Other Initiatives:** The Tsunami Relief operation at Zensar was an outstanding success story of solidarity and support. The overwhelming response to the appeal of employees donating a day’s salary went on to building a Tsunami Relief fund which is being used for a sustained three-year Tsunami Rehabilitation Program. Through the Center for Youth Development Activities (CYDA) the fund is being utilized to
support the education of 120 students from Nagapattinam who were worst affected by the calamity.

5.2 Evolution of the CSR frameworks of companies

The Indian Corporate’s understanding of CSR seems to be shifting from traditional philanthropy towards sustainable business. Nevertheless, philanthropic patterns remain widespread in many companies.

Corporate India’s current approach largely maintains its own characteristic form only at random adopting elements of the global CSR, for instance, integrating CSR into core business processes, ensuring that CSR is espoused by top management and assigning CSR responsibilities to corporate departments.

The CSR agenda continues to be dominated by community development activities, particularly in the areas of health and education. Most companies view their community development projects as important contributions to the existing development challenges in their region of operation since it paves the way for good relations with communities and also has an appreciable public relations effect. However, community development approach lacks transparency and specific standards; very few companies disclose their motivation, investment and business interests when engaging in community development.
The CSR multi-stakeholder approach is still rather patchy, and interaction between business and civil society organizations, takes place, at best, on an informal basis and does not play a significant role in shaping the CSR agenda. The multi-stakeholder concept calls for NGOs, business associations, governmental organizations, and multilateral institutions, among others, to work together in a constructive and cooperative manner in achieving complementary goals in the CSR process. Companies feel that CSR needs to be business-rather than NGO-driven. Given that legal regulation in India is lax, and self-regulation is not an effective option from society's point of view, the CSR agenda needs to incorporate various stakeholders and their expectations.

In addition, the companies tend to aim their CSR engagement at external stakeholders — especially communities — rather than internal stakeholders. However, the recent changes in the CSR agenda further underline that CSR in India has considerable potential for improving corporate environmental and social conduct.

5.3 Relationship between CSR and financial performance

Traditionally, social responsibility and business strategy have been viewed separately, each one contributing to either the economic or social objectives of the firm. Business and investment communities have long debated whether there is a positive correlation between socially responsible business practices and better financial performance.
Although it is impossible to give a final answer to this dilemma, there is a positive correlation between the two. It is an accepted perception that socially responsible behavior can lead to improved bottom-lines but the inverse relationship cannot be proved i.e., higher or lower profits do not automatically translate into higher or lower levels of CSR. It is largely dependent on the company’s moral and ethical value systems.

At the end of the day it has to be accepted that if social responsibility becomes an integral part of the wealth creation process - which if managed properly will enhance the competitiveness of business and maximize the value of wealth creation to society.

When times get hard, there is the incentive to practice CSR more and better. If it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shove.68

A recent opinion poll on the net revealed the following public perception:

<table>
<thead>
<tr>
<th>In the face of an extended economic recession companies will:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>keep CSR as a priority</td>
<td>110 (36.91%)</td>
</tr>
<tr>
<td>cut budgets, but still focus on key issues</td>
<td>119 (39.93%)</td>
</tr>
<tr>
<td>drop CSR as an unaffordable luxury</td>
<td>69 (23.15%)</td>
</tr>
</tbody>
</table>

Fig 5.2 Will CSR survive in a recession?

[Source: www.mallenbaker.net]
5.4 Effectiveness & impact assessment

The components of “social performance” or “social impact” should be measured in relatively objective ways on the basis of standard indicators. (See Appendix 2 for examples of indicators used in actual social performance reports) These data can then be audited and reported.

A social “bottom line” – that is, something comparable to a net social “profit/loss” – can be calculated using data from these indicators. Measuring social performance helps improve social performance, and firms with better social performance tend to be more profitable in the long-run.

Firms have an obligation to maximize their social bottom line – their net positive social impact – and accurate measurement is necessary to judge how well they have fulfilled this obligation. The firms have obligations to stakeholders to disclose information about how well it performs with respect to all stakeholders.

5.5 Limitations of CSR impact assessment

- A company’s social responsibility initiatives often lack transparency and specific standards;
- Local communities very often do not have the experience to negotiate business-driven commitment to community development;
Very few companies disclose their motivation and their business interests when engaging in a specific initiative.

5.6 Corporate Social Responsibility performance measurement

The study reveals that the environmental, labor and community dimensions were the most common Corporate Social Responsibility initiatives. It is unclear, however, whether a higher score on one variable is related to a higher score on other variables.

On one hand, it is possible that the individual activities are incidental; i.e. that each variable is dependent on unobserved, external factors not considered here. On the other hand, companies may engage in Corporate Social Responsibility on a structural basis, meaning that the measures are sufficiently correlated.

The performance measurement can be done by asking a few logical questions such as:

1. Does the company have a CSR Mission Statement?
2. What is the perceived importance of various issues? What are the focal issues?
3. What is the share of pre-tax profit for Philanthropy?
4. What is the type of organizational structure in place for dealing with Corporate Social Responsibility issues in the community?
5. What are the reporting mechanisms for such issues?
6. Does employee volunteerism find a place in the CSR planning?

7. What is the status of the company's labor relations?

8. What is the % of women in work force?

9. What are the company policies for Environmental Responsibility? Are environmental training systems in place?

10. Are the initiatives sporadic and responsive or are they integrated into the strategic planning process?

11. Are the initiatives implemented and then independently audited?

12. What are the stated policies for anti corruption, SCM and human rights?

Corporate social responsibility as a trend has caught the fancy of corporate India. The companies look at the variety of paybacks like goodwill, enhanced sales and profits. Genuine altruism is a motivator for some firms. Assertive activists, public scrutiny and global standards for safety and ethics also play an increasing role in this new age world of socially aware and responsible businesses.

5.7 So what would a socially responsible company do?

Having elaborated at length the pros and cons of CSR activity to be undertaken by companies, it might be interesting to visualize what a
socially responsible company might look like i.e., what are the practices which would be reflected in an ideal organization?

What social responsibilities are to be fulfilled by a company is a matter of both debate and transience because societal expectations keep on changing constantly to suit the changing times, economic realities and political as well as regulatory compulsions.

Let us imagine a scenario where there are not many regulatory mandates. It is worthwhile to consider this as the situation rather than the highly regulated one because CSR is all about voluntarism, initiative and going the extra mile beyond what is the minimum requirement. The following points may be reflected in a company which is socially responsible. These guidelines are loosely based on the social code for business given by United Nations Development Program and Confederation of Indian Industry. [See Appendix 4]

**Not manufacture or sell fundamentally detrimental products** - A socially responsible company would not produce or sell products that are fundamentally detrimental to human health, safety and the planet’s sustainability. This might mean the end of the road for some industrial sectors which are highly successful today.

**Engage in 'Socially responsible' labor practices** - Workers would be recognized as 'human resources' and will be given the right to voice their opinion on issues related to their work, wellbeing and safety. They will also have bargaining power, will be given an environment conducive to
learning and engendering a sense of ownership in the company; workforce attrition levels will also be low.

**Human Rights assessment** – every individual’s human rights must be respected at work associated with business operations and the workplace.

**Ecological responsibility** - A socially responsible company would assume responsibility for the ecological damage that it has managed to inflict on the planet and therefore reduce further depletion of natural resources like forests, oceans, soil, air and fresh water and limit degradation of the natural systems that are vital for our survival. This might mean a higher outlay initially and therefore lower profits but the company would be willing to absorb the cost because it is an ecological imperative.

**Address climate change** – Climate change is the major ecological crisis of our time. A socially responsible company would have to reduce emissions of greenhouse gases by cutting energy consumption, use renewable energy and cut dependence on fossil fuels. It would also be extremely careful not to discharge harmful effluents into the ground or water bodies.

**A green supply chain**- a socially responsible will take cognizance of the fact that its image is not generated by merely its own efforts but also by the kind of company it keeps i.e., all the economic players it associates with. Therefore it becomes imperative that a responsible company
chooses business partners who are equally responsible. Every link in the supply chain must be adhering to ethical and sustainable practices.

**Community Development and Stakeholder Engagement** - The stakeholders impacted by the company’s operations, decisions and products must be empowered to participate in the dialogue with the company and the local community must benefit from development efforts led by the private sector. For this the responsible company would engage in stakeholder mapping and needs assessments, building strategies for livelihood and income generation for the youth and local community development planning.

**Clearly outlined CSR policy** - the socially responsible company will be transparent about the nature of CSR activities it undertakes. It will have a clearly defined CSR policy supported by the management at the top levels and endorsed wholeheartedly by the employees. The CSR will be a mechanism integrated into the fabric of the business and all efforts will be made to align the CSR activities with the societal and national goals. The outlay for such efforts will also be announced and will not be linked to the profitability or otherwise of the company.

**Having a clearly defined CSR Communications Strategy** - An integrated CSR strategy combined with effective communications can increase reputational and business value for a company. It also helps encourage greater uptake of CSR among peers and competitors. This helps the business to not only understand and operationalize CSR in its core activities, but also to communicate its vision to stakeholders. Such
companies assess social and environmental opportunities and impacts and benchmark their CSR practices with the best in the field and have clearly articulated CSR strategies and action plans for raising CSR awareness.

All these conditions are to be satisfied in addition to the inevitable ones like good corporate governance, supplying quality products to consumers, ethical business practices, being law abiding, paying taxes on time, not working against the national interests, not indulging in underhand means to achieve business targets and voluntarily adhering to prescribed and optional standards so that the organization can be a role model for others.

For companies to find good business in socially responsible actions, several conditions need to be met. One of these conditions is that whatever those companies do in the social realm should be related to the core business. It's not just throwing money at good causes. It's actually utilizing what the companies are good at. The second condition for this type of social behavior to make sense is that whatever the company does should help to create a more competitive environment. In other words, it's an action that is going to allow the company in the future to do better business.

All the measures listed above will enable the company to manage the non-financial risk very effectively. A Corporate responsibility driven business philosophy is often about how to resolve conflicting stakeholder demands. It is therefore about leadership and how a company can shape the expectations of its marketplace. It therefore preempts all anticipatable risk and addresses issues if any, in a sustainable manner.