Summary and Conclusions

Introduction

The objectives of this research study are three fold - understand the concept of Trusteeship, Corporate Social Responsibility (CSR) and Peace and their inter-relationships; examine whether the principle of Trusteeship can be implemented for carrying out CSR activities by corporate world or not; and if implementable, suggest ways and means.

Peace is an ultimate quest of the human being. No one wants unrest as there is no pleasure involved in it. Whatever one does, it does to derive pleasure during the process or as an output of the action. Today, the peace is the most sought after as Unrest has pervaded our life badly. The reason for Unrest lies in existence of inequity in the society. Resources are scarce and unevenly distributed. Some are too wealthy whereas the majority strives for even basic needs. Such a situation has created ‘divides’ or ‘Centres of Power’ in the society. The divides are in name of caste, creed, religion, nationality etc. and hence the society is fragmented. So, there is need for devising the tools as cure to the above problem and ensure lasting peace in the society.

Trusteeship is answer to the above problem. The concept of Trusteeship flows from the ideals of Aparigraha and Ahimsa. Gandhiji’s unique and revolutionary approach to the phenomenon of power has also contributed to the evolution of the concept. Trusteeship is a concept with its origin in spirituality wherein one voluntarily relinquishes one’s right on wealth (Aparigraha) earned by him and dedicates it to the welfare for those who
are not so privileged like him. Trusteeship was looked upon by Gandhiji as a powerful tool to be used for alleviating economic and social disparity and ultimately establishing lasting peace in the society. The infusion of the sense of Trusteeship in a person’s mind is a beginning of spiritual journey which will end in self-realization of oneself. Without invasion of spiritual thoughts, one cannot understand and implement it.

Trusteeship principle could be applied at individual as well as corporate level. Corporate World draws its resources — material or human — from the society. It grows and develops due to support from the society and its environment. In brief, every corporate entity owes to the society and must give its due back to the society. The welfare activities undertaken by corporate world are popularly known as ‘Corporate Social Responsibility (CSR)’ activities. If CSR activities are backed by the principle of Trusteeship, they can play miracle and bring real prosperity in our life.

Trusteeship, CSR and Peace are interrelated. Trusteeship is a principle which should be followed by all. An individual can practice it in his own life. He can minimize his needs and use surplus resources available with him after meeting his required needs, for welfare of the society. Similar logic applies with group. Group can be social group or association or corporate group/company. If CSR activities of a company are guided by Trusteeship Principle, the overall ‘Well being Index’ of its employees is likely to be higher than those companies which do not carry out CSR activities at all or carry out CSR activities not guided by Trusteeship Principle. CSR activities of such companies based on Trusteeship principle is likely to contribute to bringing and maintaining peace in the society.
The study of original Literature of Trusteeship authored by Gandhiji is a spiritual concept and is not easy for all to digest. Its practice is even more difficult. Trustee (one who practices Trusteeship) in true sense of the term will have no extra possessions than is required to fulfill his basic needs. In fact, Trusteeship requires purification of soul and should be practiced on individual level first. Unless the individual soul is purified, Trusteeship at Group level will be next to impossible. A group is made of individuals. If the individual forming the group is not pure, the group, too, cannot claim purity. Trusteeship in its true form will exist only when an individual intending to practice it attains self realization which in turn means understanding his relation with God. The great souls like Buddha, Mahavir, Jesus Christ, Prophet Mohhammad, practiced the principle of Trusteeship in their lives. They are said to be incarceration of God. They minimized their materialistic needs and lived lives for others. The people who do not know the purpose of their being on this earth and live a life in pursuit of materialistic aspirations only, cannot understand and appreciate the principle of Trusteeship. Earth has been full of such people and hence adoption and practice of Trusteeship is a rare phenomenon as it requires fundamental change in thought and action which is possible only when the soul is awakened from deep slumber. However, it does not mean that the Principle of Trusteeship should be discarded. It may not be adopted fully but process must commence. Efforts must be initiated to know the true self and its relation to various components of the nature. Such an effort will bear fruit and process of purity of soul will commence. If sincere efforts are put into, soul will be more purer day by day and the principle of Trusteeship will percolate down into his life effortlessly. ‘Trusteeship’ will become a way of life for pure soul.
Corporate Social responsibility is a western management concept. CSR for them is a business concept. Since they get their resources from the society and nature and hence, it was deemed fit that they must give back their due to the society, too. Trusteeship Principle is not yet understood by West as the West is outward looking. One has to do inward journey to understand the concept of Trusteeship. If the concept of trusteeship is amalgamated with good CSR practices, there would be no harm to the employees working with a company, their customers, society in general and environment. However, it is an ideal situation which cannot be achieved. But sincere efforts need to be made to move in the direction.

Peace as described above is a dynamic phenomenon. It is to be linked with developmental activities. A company following good CSR practices based on the principle of Trusteeship would take care of its people, customers, society and environment and would do no damage to anyone and hence, it would receive co-operation from all and there would be peace all around.

**Approach**

Based on the review of literature, following hypotheses were proposed and tested for the purpose of research:

- Trusteeship has positive co-relationship with spirituality.
- Trusteeship is the purest tool for CSR activities.
- Trusteeship and peace complement each other.

As a whole, information was collected from both the sources, i.e. primary as well as secondary. The primary sources of information are the stakeholders including the staff/employees of the corporate entities chosen for case studies. Similarly, secondary sources of information are
the published / unpublished reports / documents available with Gujarat Vidyapith/city libraries and data available on internet.

Interview Schedules have been used for collection of information from corporate entities under study.

**Case Studies**

In depth case studies were carried out. The organizations covered have been chosen from reputed corporate groups. Three cases have been selected – TATA Group, EXCEL Group and Infosys. TATA represent ‘Old’ group of industries. Infosys belongs to ‘Modern’ group and EXCEL stands between ‘Old’ and ‘Modern’. The information about these companies have been collected from their annual reports, data available on internet and discussion with their employees/stakeholders. The efforts have been made to understand the concept they have about trusteeship, corporate social responsibilities and their interrelationship. The objectives of companies behind CSR activities have been discussed. Their experience in implementation of CSR activities and their impact on overall peace in society have been discussed. The share of their net profit for CSR activities, too, has been analysed.

**TATAs:** As a global benchmark for CSR and a pioneer of the concept in India, the Tata group has adopted social responsibility as one of its integral values and the group has made concerted efforts to link it with the group's overall strategy for achieving business excellence. Besides undertaking CSR initiatives through its various companies, the Tata group has been actively involved in facilitating the development of this concept in India by setting standards and benchmarks. Moreover, Tata Group has adopted participatory approach in the matter of CSR as depicted in the above diagram
The dedicated CSR efforts by various Tata group companies have been globally recognized. The different group companies have received several awards for their fulfillment of social responsibility. For instance, TISCO was awarded 'The Energy Research Institute (TERI) award for Corporate Social Responsibility (CSR)' for the fiscal year 2002-03 in recognition of its corporate citizenship and sustainability initiatives. As the only Indian company trying to put into practice the Global Compact principles on human rights, labor and environment, TISCO was also conferred the Global Business Coalition Award in 2003 for its efforts in spreading awareness about HIV/AIDS.

CSR by TATA can be summarized in words of Late JRD Tata as under:

"The wealth gathered by Jamsetji Tata and his sons in half a century of industrial pioneering formed but a minute fraction of the amount by which they enriched the nation. The whole of that wealth is held in trust for the people and used exclusively for their benefit. The cycle is thus complete; what came from the people has gone back to the people many times over."

**Excel Group:** As per Shri Kantisen Shroff, Chairman Emeritus of Excel Group, the seeds of Excel were planted way back in 1945 as Kitchen Laboratory by Late Chaturbhai Shroff, and today the Group has eight manufacturing plants strategically spread over the country in Maharashtra, Gujarat, Andhra Pradesh and Silvassa. The operations of Excel Industries Limited are currently organized into two major divisions – Agrochemical division and Industrial Chemical Division. Since 2002, these divisions are separate companies known as Excel Crop Care and Excel Industries respectively. However, community development activities are undertaken jointly.
Shri Kantisen Shroff is the key propelling force behind Community development interventions by Excel. As per him, we all are inseparable part of the planet and ecological system and hence, we all are interconnected. We cannot behave as if we are detached from the rest of the universe. He does not believe in completion, too. When we all are connected to each other then completion with whom – such is the spiritual vision of Kaka behind community intervention.

Excel extended the spirit of employee voluntarism to rebuild Kutch. Specialized staff of Excel looked into the problems of agriculture and afforestation and decided the steps to be undertaken. The major areas identified were afforestation, employment generation, watershed management, water harvesting and cattle management. The impact of interventions on the communities in Kutch had been tremendously rewarding. It emerged through the discussions with the local self help groups that as early as 1990, inspired by VRTI’s and Excel’s efforts, the villagers built rainwater storage tanks, farm ponds and percolation tanks. They also built check dams and recharged hundreds of wells. This showed that people who once upon a time, were used to government charity, realized the importance of self-reliance.

In 1980, Shri Kantibhai Shroff became MD of Excel and he wanted to streamline and institutionalize the community development initiatives. It was not easy for him to balance corporate and social demands. Excel extended managerial support wherever necessary and gradually tried to make its NGOs independent. This finally resulted into professional management of its NGOs.

In 1995, Shri Kantisen Shroff became the Chairman of Excel and Shri Ashwin Shroff became the Managing Director. Success did not slow
down the pace of Excel in community development. Excel was fed on sound values and healthy practices and they helped Excel to grow a healthy business. The learnings that had taken place over the last four decades in the area of community development has been rich with experience. What began as an intervention with a social motive actually gave Excel excellent insights to look into their business and develop products accordingly. Today, Excel is engaged in areas like Integrated Crop Management, Solid Waste Management and Microbes Management.

In spite of what is mentioned above, company management does not think it has done something extraordinary as Shri Ashwin Shroff puts it, ‘Any responsible company will do what we are doing and what is so great about it. We have not given crores of rupees neither do we call ourselves philanthropic. It is our enlightened self -interest which has guided us. Yes, we have got personally involved in the process, because that is needed to a larger extent to create an impact. It was only because of our involvement we created an impact’.

**Infosys:** Infosys Technologies Limited provides consulting and IT services to clients globally in field of Client Connectivity Infrastructure and Information Infrastructure. The company vision is to be the best globally, commercially and ethically. As such, Infosys has developed a C-Life principle that it aims to honour in all aspects of its business conduct. The C-Life principle focuses on Customer Delight, Lead by Example, Integrity and Transparency, Fairness and Excellence. Infosys has also developed PSPD model (Predictability, Sustainability, Profitability and De-risking) that ensures high standards for all stakeholders. This has resulted into development of strong management
system to guarantee accountability at all times with procedures in place for grievances and such things.

One of the core values of Infosys is a strong sense of social responsibility and is a commitment to help people and communities, a commitment to enhance the living conditions of rural population and a commitment to improve education. It has moved from charity and dependence to empowerment and partnership in their own interest. The middle class founders of the mega-successful Infosys believes that wealth must be equally distributed.

Infosys assumes corporate social responsibility both at company level and foundation level.

The social initiatives of the company have taken the form of projects, philanthropy and employment initiatives. ‘Community Services’ is an example of project work specifically to IT education to rural children and teacher training.

The Foundation has adopted a policy of distributing funds based on Infosys Technologies’ employee strength in different states of India. Accordingly, Karnataka gets 70%, Maharashtra gets 15%, Orissa gets 5% and Tamil Nadu gets 10%. The Foundation is committed to giving 30% of its fund to senior citizens, the destitute and handicapped, 15% for rural development, 30% for the education of talented but poor children, 15% for cultural activities and 10% for health activities in villages and cities. However, such a policy of distribution of fund based on employees’ strength as well as the allocation within a state for different activities is debatable.

Infosys Technologies advocates and participates in a wide array of activities aimed at enhancing business-community relations. The creation
of Foundation has been instrumental in conducting much of this work, although the company itself has contributed in more than just monetary terms. Employment practices, environment concerns and research partnerships serve to illustrate that business-community relations in India are, to a certain extent, beyond philanthropy.

Furthermore, these initiatives have not been to the detriment of the company’s profits as the many awards for ‘Best Company’ reveal.

**Analysis**

The case studies have revealed that the propelling force/personality behind CSR activities were leaders with high spiritual quotient. TATAs were creators of wealth and at the same time, they invested part of their wealth in creating world class social infrastructure. They established world class institutions. They gave new definition to CSR and made business ethics as part of their CSR activities. They paid great attention on aspects of HRD, quality and society around them. It is highly satisfying that over 75 per cent of TATA trust's funds come from dividends on the shares it owns in Tata Sons, the group's holding company. The remaining comes from their own statutory investments. It proves that TATAs never aimed to become rich men on this earth. Also, TATAs have been great advocates of Industrial peace. Hardly, we hear of lockouts, strikes etc., in case TATA group of Industries. TATAs, it appears, believed in paying back to the society. Their thoughts were closer to the principle behind Trusteeship. They appear to be people/organizations with high SQ and strong practitioner of the principle of Trusteeship. They are in fact pioneers of CSR activities in India and prove all three the hypotheses as stated hereunder, true:

- Trusteeship has positive co-relationship with spirituality.
• Trusteeship is the purest tool for CSR activities.
• Trusteeship and peace complement each other.

Excel Group of Industries cannot match their CSR activities with those of TATAs. But they have grass root experience in community work. Shri Kantisen Shroff is a man of vision with high spiritual quotient. Their community activity commenced at family level, then they established Trusts and now, they have integrated their CSR activities as part of their business activities. It is great journey in CSR. Shri Kantisen Shroff - a man with excellent vision, institutionalized the CSR activities as part of business vision of Excel. Excel, too, enjoys excellent employee relations and there is sense of voluntarism on the part of Excel employees for community work. Excel, too, proves all three hypotheses true.

Infosys is a modern corporate entity and does not have past history like TATA and Excel. Their CSR activities are not as old as those of TATA and Excel. However, they have made tremendous effort in community service. Mrs. Sudha Murthy – a lady with big heart and a great desire to serve underprivileged, played a pivotal role in CSR activities of Infosys as head of Infosys Foundation. In Infosys, too, employee voluntarism is encouraged and appreciated. Since nineties, Infosys Foundation, too, has carried out commendable services in field of CSR.

**Conclusion**

To conclude with, CSR should be inbuilt into the functioning of various activities of corporate sector. It should be a way of life for them. In more revealing words, CSR does not mean ‘earning money by hook or crook and diverting portion of it as tax saving measures or otherwise in name of welfare activities’. Such an approach is against the vision of Mahatma Gandhi who considered CSR as an ethical act. Ethics calls for purified
mind resulting into purified thoughts which would result into purified actions. So, purity must be in the beginning, during the process and at the end with all CSR activities. There are various activities such as design, planning, production, commercial, HRD, quality assurance to be performed by a company in corporate sector. Performing all these activities in a right manner at the right time by the right people will result into right product meeting the requirements of customers. Such companies will be truly socially responsible, and would not hesitate in diverting a portion of profit for public good.

All employees of corporate body should be trained and re-trained on ongoing basis to enhance their spiritual quotient. Enhancement of Spiritual Quotient (SQ) is the need of hour. The actions of an organization/a corporate body with low SQ will not bring lasting advantage to itself as well as the society at large.

One should love the job one does. One loves the job only when he derives pleasure during the process of performing the various tasks involved in the job. If one gets pleasure during the process of the job, he gets emotionally involved with the job, too. If one is emotionally involved with the job, the quality will be the natural outcome. The quality should be the concern for all. Whatever one does, should be done in the best way possible, which happens when one does the job with one’s soul deeply involved in the process. Emotional involvement of soul into the job is nothing but spirituality i.e Dharma. For Gandhiji, Spirituality was not different from Dharma. Looking after the family is Dharama and one should carry out this job with religious fervor. However, ‘Looking after the family’ should not be the reason for accumulation of wealth. This is not dharma. Most of the people are not Dharmic as they do Adharma knowingly or unknowingly everyday. Adharma brings unhappiness.
Dharma brings happiness but one needs to lead a life of truthfulness to remain dharmic. In view of what is aforesaid, all training programmes of corporate bodies should be guided by the above mentioned principles.

Framing ‘Code for good CSR practices’ requires extensive deliberations among various stakeholders. The key stakeholders are management of corporate entity/body, employees of corporate body, government regulatory authority, members of community and Non-Governmental organizations. A professional consultancy organization, too, may be involved in the exercise. Spiritual leader/organization, too, may be involved in the process to ensure that ethical considerations are given due weightage in ‘framing of good CRS code’.

Although the forced changes do not bring lasting solution, there is need for consensus on basic objectives and purposes of CSR and common strategy for the same. Once this consensus is achieved, law makers can work for necessary amendment in Companies Act and CSR may be made compulsory for all corporate citizens (provided they have profit). Such legal sanctity may boost CSR activities in the country. The suitable provisions may be made in the Companies Act, 1956 (and amendments thereafter) to make CSR mandatory for all companies and certain percentage (say 1 to 3%) of net profit may be earmarked for the CSR activities.

Government, Business Associations (CII, FICCI etc.), Spiritual organizations, Gandhian Institutions and other social organizations may come together to form the lasting strategy for effective CSR and decide modus operandi for the same.

Only backward areas should be earmarked for CSR activities. Such area – villages/ taluka/district should be adopted by reputed corporate body or a cluster of corporate bodies. However, they must be supported by
Government Agency, too. It would be ideal if government fund is supplemented by fund provided for CSR activities by corporate bodies. It will have ‘synergic effect’. Such an approach would be in line with Gandhian Principle of Trusteeship. However, the association should be voluntary. Non-Governmental Organizations (NGOs), too, may be made party to such association. All three agencies – Government or their Agencies, NGOs and Corporate bodies, will work together to make the society prosper.

Trusteeship principle does not aim at making one rich. It is against the principle of Trusteeship Principle of Gandhiji. He never wished inequality to be promoted in the society. So, CSR should be looked upon as an instrument for reduction of inequality. Under CSR, the corporate bodies are encouraged to use their excess wealth for the welfare/benefit of poor masses. CSR should not be viewed as an act of pity on behalf of rich corporate bodies but it should be treated as an essential duty on their behalf. Only such approach will bear real fruits and bring benefit to the society. The act of pity would enhance the inequality gap which already exists between the poor and the rich. Such an approach would bring stress and conflict in the society. So, ‘peace and happiness’ should be the real purpose behind CSR and not the materialistic prosperity. This asks for change of attitude on part of corporate bodies and it will happen only when spiritual quotient is enhanced.