

Corporate Social Responsibility Practices of Top Multinational Companies in India

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Abstract

In India, many multinational companies are engaged in various Corporate Social Responsibility (CSR) practices in order to fulfil their responsibility towards society. From last few years, the multinational companies have initiated to fulfil their responsibility towards the society in which they operate and to which they belong. The CSR initiative was initially adopted voluntarily by companies to help in uplifting living standard of people from backward sections of society and tackle extreme climate- change conditions. But with the enactment of Companies Act 2013, every company having a net worth of rupees 500 crores or more; or a turnover of rupees 1000 crores or more; or a net profit of rupee 500 crores or more during any financial year shall ensure that the company spends 2% of its average net profits of the company (i.e. during 3 immediately preceding financial years) in fulfilment of its Corporate Social Responsibility policy.

The present study aims at understanding the current status of CSR practices adopted by major companies in India. The study presents brief overview of concept of CSR in India and also throws light on how the major companies in India view and implement CSR practices in their business. The data about major companies in India has been collected through their annual reports, sustainability reports and their corporate social responsibility (or business responsibility) reports. Although many companies in India are performing well in terms of CSR initiatives taken by them but still there is a long road ahead to see all Indian companies imbibing CSR as a culture.

Keywords: Corporate Social Responsibility (CSR), Multinational Companies, Practices

Introduction

The concept of Corporate Social Responsibility is becoming more prominent in today's business environment as large numbers of multinational companies today are taking up various CSR initiatives to meet the varying needs of the society in which they operate. The companies are now-a-days understanding their responsibility towards the society in response to the resources and benefits that they themselves derive from the society. The trend of incorporating CSR activities in major multinational companies is growing rapidly and the major reason behind it can be attributed to the host of benefits that incorporating these activities provides to companies as well as to the society at large. The multinational companies are now realising that, taking up CSR activities not only helps them in compliance with regulations but it also helps them in creating a positive public image as well as in strengthening relationships with all its stakeholder's. This in turn benefits them in their businesses in long term. The present study shows the various CSR initiatives taken by major multinational companies in India.

Background of the Study

The CSR initiatives adopted by major multinational companies can help society by reducing environmental degradation, eradicating poverty and hunger, helping in turning to reality the education for all movement, creating awareness about various diseases, conducting counselling sessions, running educational camps and providing assistance to underprivileged section of society.

The companies are facing immense pressure and competition to stand apart and create a favourable image among public due to the current trend of globalisation. Thus to create goodwill and make favourable public image in the new and potential markets, the companies are more willing to

get engaged in CSR activities. It is also a matter of fact that general public as well as the talented manpower will be more inclined to look towards those companies who have a good reputation in public with regards of taking up various CSR activities and adopting sound business practices to safeguard the interests of all stakeholders'.

IX orporate Social Responsibility, many definitions were identified. Some of them are mentioned below:

The concept of Corporate Social Responsibility (CSR) aims both to examine the role of business in society, and to maximise the positive societal outcomes of business activity. (Sustainable Development Innovation Briefs - CSR and Developing Countries, 2007)

CSR in simple terms can be defined as engaging in those activities which are aimed at benefiting all stakeholder's including external (Ex: Customers, public etc.) and internal (Ex: Employees). The ultimate objective of CSR activities in long term is ensuring success of the business by incorporating social and environmental considerations into all business activities and operations.

During the review of various literatures available on Corporate Social Responsibility, many definitions were identified. Some of them are mentioned below:

Corporate Social Responsibility "analyses economic, legal, moral, social and physical aspects of environment".

-Barnard,

1938(Crowther & Aras, 2008)

Corporate Social Responsibility can be defined as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

-World Business Council for Sustainable Development, 2000(Holme & Watts, 2000)

The CSR may be defined as "The concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly, and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large".

-European Union, 2002

Today CSR is beyond philanthropy. A holistic and integrated approach implies sustainable development for all the stakeholders which in essence applies to the globe thereby creating a self reliant community Researchers define Corporate Social Responsibility (CSR) as business organisations contributing in a positive manner to the society by thinking beyond their primary goal of profit maximisation. (McWilliams, 2015; Holme & Watts, 1999)

Every business organisation operates under a social environment and as a good corporate entrepreneur, their responsibility lies with the society at large where the organisation is operating. (Sharma & Kiran, 2012)

In the present era of communication and increasing trend of transparency, the managers also have an important role in development of a CSR management and reporting framework. (Gautam & Singh, 2010)

Aim of the Study

The following are the two main purpose of the present study:

1. The first aim of the study is to present a brief overview and history of Corporate Social Responsibility in India.
2. The present study is also aimed at reviewing the various CSR practices adopted by major multinational companies in India and identifying their focus areas.

The data for this purpose has been collected from the company's annual reports, corporate social responsibility reports (business responsibility reports), sustainability reports and previous researches which are conducted in this area. For the purpose of study, CSR practices regarding five major multinational companies (i.e Tata Motors, Infosys, HPCL, ONGC and Reliance Industries Ltd.) belonging to different sectors is analysed. These companies are selected on the basis of list of India's Best Companies for CSR developed by Forbes India in 2013 and The Economic Times (2014) reports. For the purpose of study and analysis, reports for the financial year 2013-14 are taken under consideration.

Overview of Corporate Social Responsibility In India

Though the concept of Corporate Social Responsibility in India has gained wide popularity recently, but the roots of it can be traced back to ancient times.

The ancient philosophers' such as Kautilya had long time back recognised the importance of ethical principals while doing business. In our Vedas also, the practice of helping, supporting and feeding the poor and disadvantaged people was cited as a teaching.

The practice of doing industrial welfare, charity or social duty and corporate philanthropy while doing business is long practiced and recognised in India. In present era, this trend has become popular with the name of CSR.

The industrial families of the 19th century were involved in various philanthropic acts of charity and other social consideration such as building schools, temples, higher educational institutions and used to facilitate in development of other infrastructural activities also. But during that time these activities were done voluntarily and were not considered a part of business activity. In the 1970s, the use of the term CSR became popular among business community. During the 1990s, the CSR activities became an integral part of businesses rather than just being a mere philanthropic activity.

The multinational companies in India has now realised that they can't ignore the environment in which they operate and they need to give their hand in the uplifting of people from underprivileged section of society.

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In India, the evolution of CSR refers to changes over time in cultural norms of corporations' engagement and the way businesses managed to develop positive impacts on communities, cultures, societies and environment in which those corporations operated.

CSR activities during Independence movement in India also got attached to encouraging women empowerment and rural development. CSR practices are very helpful in India to contribute in the process of nation building and development as in our country still a wide disparity exists in terms of income, literacy, social status, gender, poverty etc.

In the last few years, Government of India is also taking substantial steps to actively include the corporate in conducting various CSR activities to address the social and environmental aspects rather than just focusing on economic aspects of businesses. (KPMG, 2014)

As per the section 135 of Companies act, 2013, every company having a net worth of rupees

500 crores or more; or a turnover of rupees 1000 crores or more; or a net profit of rupee 500 crores or more during any financial year shall ensure that the company spends 2% of its average net profits of the company (i.e. during 3 immediately preceding financial years) in fulfilment of its Corporate Social Responsibility policy. (Holme & Watts, 1999)

The act is applicable to every company including its holding or subsidiary, or a foreign company having its branch or office in India. Each company is required to formulate a 3 members CSR committee to ensure proper enforcement of the act.

If a company fails to meet its CSR obligation, the company will be required to specify reasons of non-compliance in its business responsibility report.

In today's dynamic business environment, it is very necessary for companies to adopt and implement standard global CSR practices in order to compete and make a favourable image like their other counterparts around the world.

Major CSR Initiatives by Companies In India

S. No	Name of The Company	Type	Focus Areas	Major Initiatives
1.	Tata Motors	Automobile	Health, Education, Employability, Environment	<ul style="list-style-type: none"> • Nav Jagrit Manav Samaj (NJMS) is a society which is working towards the rehabilitation and treatment of leprosy patients. • National Safe Drinking Water Program is implemented to address the need of drinking water in rural villages and is benefiting people living in more than 202 villages. This initiative is making life easier for those poor families that are living in drought-prone villages. This initiative is undertaken with assistance of Sumant Moolgaokar Development Foundation (SMDF). • Bhantarhsala Proram is an initiative in which students are taught in residential schools which are based on the Gandhian philosophy of education. In this program, students are trained with various vocational skills along with traditional education such as cooking, gardening, painting etc. This initiative is started with and NGO GANATAR which works on education. • Tree Plantation Drive • Skill Development Program for Youth: It is one of the major CSR programs of the company and is aimed at providing vocational and technical training to Indian youth to improve their employability. For this purpose, the company has around 137 skill development centres across 19 states. • Environment Program: The Company understands the importance of renewable energy in various environment conservation programs and thus, promotes usage of renewable sources of energy. The company also adopts various strategies to bring awareness among the society regarding various environment development programs. • Skill Development Program for Rural Women: The company helps in uplifting the living standard and economic status of women's living in rural areas by supporting and promoting self- help groups that are working in that area. In collaboration with agencies such as Rural Self Employment Training Institute (RSETI), the company imparts training to women's on

				<p>various entrepreneurial skills such as record keeping and accounting, tailoring etc.</p> <ul style="list-style-type: none"> • Jeevan Jyothi School of Nursing (JJSN), Jamshedpur is an initiative by Tata Motors's which is aimed at offering quality education and training to nursing students. The initiative is the partnership of Tata Motor's hospital and Sisters of the society of Jesus, Mary & Joseph. This school is recognised by various government organisations also such a Bihar Nurses Registration Council, Mid India Board of Education and Indian Nursing council. (Tata, 2015)
2.	HPCL	Oil and Gas	Childcare, Education, Health Care, Skill Development and Community Development.	<ul style="list-style-type: none"> • Project Childline is an initiative for rehabilitation and development of those children's who are in risk-situation. • Project Adapt is aimed at imparting education and providing medical facilities to children's with special needs. This project is aimed at the inclusive growth of our society at large by imparting skills to students with disabilities by making them self- dependent. • Project Sankalp: An initiative aimed at development of safety related competency development program for non-management employees. • Project Dil without Bill is an initiative to save the lives of Heart Patients by providing facility of free of cost Heart surgeries. • Project Nanhi Kali is an initiative to provide education to those girl children who belong to economically weaker sections of society • Project Suraksha is aimed at creating awareness, prevention and facilitating treatment of HIV+ patients with the assistance of Khushi clinics. • Mid-Day Meal Program is an initiative for children's of government schools, to meet their nutritional needs and also to prevent drop-outs. • Project Unnati is an initiative to train students with computer related skills and make them computer literate. • Rural Health Program is aimed at providing medical facilities to people in rural areas with the help of mobile health care vans through "Reach-in" initiative. • Project Swavalamban is an initiative which is aimed at providing vocational training to unemployed youths (HPCL, 2015)
3.	INFOSYS	IT	<ul style="list-style-type: none"> • Economic development that positively impacts our society with a minimal resource footprint. • Responsibilities for those actions that affect the environment, communities and stakeholder's. 	<ul style="list-style-type: none"> • The company in collaboration with Confederation of Indian Industries (CII) runs various initiatives and acts as Technology platform provider. The various initiatives associated with the company are in various areas such as Business and economic development; education, skill development, environmental development and sustainability, governance, public administration, food security etc. • Promoting use of renewable energy sources • Disaster Management practices • Performance improvement through Green Data Centres: This program is specifically designed to improve disaster management capabilities of the company • Using technology for Renewable energy adoption: This program is specifically designed for those customers who use renewable sources of energy to generate electricity (Infosys, 2015)
4.	Reliance Industries	Conglomerate	Energy Security, Environment	<ul style="list-style-type: none"> • Environment Conservation Program: These programs are aimed at prevention of bio-diversity,

	Ltd.		responsibility, Product stewardship, Occupational health and safety and Social institution building	<p>minimizing the environmental impacts of operations and development of green belt.</p> <ul style="list-style-type: none"> • Material Stewardship: This is an initiative of the company for using those materials for manufacturing, which will ensure to reduce its environmental, health and safety impacts • Project Gift: This is an initiative which is designed for the welfare of HIV infected kids or for those children whose parents are affected or who have lost their one or both parents due to HIV by providing them with nutritional, emotional, psychological and educational support. This is an initiative undertaken with the support of employees of the Reliance Industries Ltd. • Stress Management: This is an initiative of the company to raise awareness among its employees regarding various health related diseases (such as hypertension, diabetes etc) and other various lifestyle risk factors. • Waste Management Programs: This initiative is aimed at using those processes by which wastage may be minimised • Water Conservation Programs: This initiative of the company is aimed at preservation of clean drinking water and ensuring its regular supply (Reliance, 2015)
5.	ONGC	Oil and Gas	Resource scarcity (carbon, water and waste), Energy security Reserve accretion, Business integrity, Asset security and emergency situation.	<ul style="list-style-type: none"> • Water Management: This initiative of the company is aimed at using those strategies through which the wastage and usage of water may be reduced in order to conserve drinking water • Promoting usage of renewable sources: This initiative of ONGC is aimed at various projects such as its wind power project which started in the year 2008 in Gujrat for generating electricity. The other such projects of ONGC include installation of Solar power plants. • The Global Methane Initiative: This initiative of the company is aimed at bringing easy availability of methane in the market for various projects. • Employee Engagement Programs: These programs are aimed at engaging in various activities which involves employees of the organisation for enhancing the motivation level of employees, imparting knowledge, profession skill and personal development, empowerment etc. Two such activities of ONGC include Nav-Utsav and Business games. • Waste Management: The organisation has a clear policy for waste management and it also trains its personnel regarding proper handling of hazardous practices, first-aid training and are provided with Personnel Protective Equipment (PPE) • Disaster Management Programs • Health awareness programs: This initiative of the company is aimed at organising health awareness workshops and health check-up drives for the benefit of their company's staff and for neighbouring community as well. (ONGC, 2015)

The following table shows the major CSR practices that multinational companies are adopting in

India with special reference to HPCL, ONGC, Reliance Industries Ltd., Infosys and Tata Motors.

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Major CSR activities adopted by Multinational Companies

COMPANIES MAJOR FOCUS AREAS	TATA MOTORS	HPCL	INFOSYS	RELIANCE INDUSTRIES Ltd.	ONGC
Health	√	√	√	√	√
Education	√	√	√	√	√
Employability/ Skill Development	√	√	√		√
Environmental Responsibility	√	√	√	√	√
Childcare	√	√		√	
Product stewardship		√		√	
Community Development	√	√	√	√	√
Energy Security			√	√	√
Occupational Health and Safety		√		√	√

From the above table, we can illustrate that for the multinational companies in India, the most widely carried out CSR practice includes Health, Education, Employability/ Skill development, Environmental responsibility and Community development. Other CSR activities carried out by multinational companies include Childcare, Product Stewardship, Energy security and occupational health and safety etc.

Conclusion and Discussion

In today's dynamic environment and in the light of globalisation and liberalisation, the concept of CSR can't be ignored by the companies. The multinational companies in our country are also realising the importance of CSR and their responsibility towards stakeholders and society at large. The study reveals that now companies are realising that as they draw resources and benefits from the society, so in return they should also contribute in uplifting people from underprivileged sections of the society.

The study reveals that the concept of CSR is not new in our country and its roots can be traced back to ancient times. The study shows the different CSR initiatives taken by five major multinational companies in India. The analysis of major CSR initiatives by multinational companies shows that the focus areas for these companies are Energy security, environmental responsibility, health care, education, employability, skill development etc. The multinational companies through these initiatives are contributing in nation building through creating a responsible business environment around us.

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