

CHAPTER - 7
CORPORATE SOCIAL RESPONSIBILITY:
MULTINATIONAL SECTOR CORPORATIONS

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CHAPTER - 7

CORPORATE SOCIAL RESPONSIBILITY: MULTINATIONAL SECTOR CORPORATIONS

"A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place."

- William Ford Jr., Chairman, Ford Motor Co.

INTRODUCTION

A Multinational Corporation (MNC) or Multinational Enterprise (MNE) is a corporation that is registered in more than one country or that has operations in more than one country. It is a large corporation which both produces and sells goods or services in various countries. It can also be referred to as an international corporation. Multinational corporations are important factors in the processes of globalization. National and local governments often compete against one another to attract MNC facilities, with the expectation of increased tax revenue, employment, and economic activity. To compete, political powers push towards greater autonomy for corporations, or both. MNCs play an important role in developing the economies of developing countries like investing in these countries provide market to the MNCs but provide employment, choice of multi goods etc.

A corporation has its facilities and other assets located in more than one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management. Very large multinationals have budgets that exceed those of many small countries. Nearly all major multinationals are American, Japanese or Western European, such as Nike, Coca-Cola, Wal-Mart, AOL, Toshiba, Honda and BMW. Advocates of multinationals say they create jobs and wealth and improve technology in countries that are in need of such development. On the other hand, critics say multinationals can have undue political influence over governments, can exploit developing nations as well as create job losses in their own home countries. According to Howard Perlmutter (1969) Multinational companies may pursue policies

that are home country-oriented or host country-oriented or world-oriented. Perlmutter uses such terms as ethnocentric, polycentric and geocentric. However, "ethnocentric" is misleading because it focuses on race or ethnicity, especially when the home country itself is populated by many different races, whereas "polycentric" loses its meaning when the MNCs operate only in one or two foreign countries.

7.1 HISTORY AND DEVELOPMENT OF MULTINATIONAL SECTOR IN INDIA

According to Franklin Root (1994), an MNC is a parent company that

1. Engages in foreign production through its affiliates located in several countries,
2. Exercises direct control over the policies of its affiliates,
3. Implements business strategies in production, marketing, finance and staffing that transcend national boundaries (geocentric).

The term MNC differs from International Corporation. International Corporation is a company with manufacturing investment or service operation in at least one country, while MNCs have direct investment in several countries and considerable share is in foreign countries. The transnational corporations (TNCs) are incorporated or unincorporated enterprises comprising parent enterprises and its affiliates. TNC is a multinational company in which both ownership and control are so dispersed internationally. There is no principal domicile and no one central source of power. The term global corporation is also often used to mean more or less the same thing as TNC. However there is a view that global corporation is one which considers the entire world as single market in which globally standardized products are sold. A company can be called as a MNC if it fulfills the following criteria (Hub Pages, 2012):

- Corporation/Company's local subsidiaries are managed by nationals.
- Corporation/Company has a multinational central management.
- Company/Corporation maintains complete industrial organizations, including research and development and manufacturing facilities in several countries.
- Corporation/Company has a multinational stock ownership.

- Corporation/Company operates in many countries at different levels of economic development.

The managing headquarters of MNCs are located in one country i.e. home country while enterprise carries out operations in a number of other countries i.e. host country. Below are some of the reasons that motivate a company to go for international investments.

- To reduce the impact of tariffs
- To gain a greater share in a foreign market or to combat competition
- To exploit natural resources of the host country
- To enjoy benefits of tax exemptions
- To reduce the cost of production by using cheap labor and material cost and transport cost
- To reduce the impact of strict trade and industry rules and regulations of home country like pollution laws.

The research sample of MNC companies included for the purpose of data collection are those MNC sector companies whose origins are not grounded in India, but have some joint ventures and branches/business in India. They are not Indian Multinational Corporations. For example, Asea Brown Boveri Limited (ABB), where headquarter is located in Zürich, Switzerland. FAG Bearings, where headquarter is situated in Germany etc.

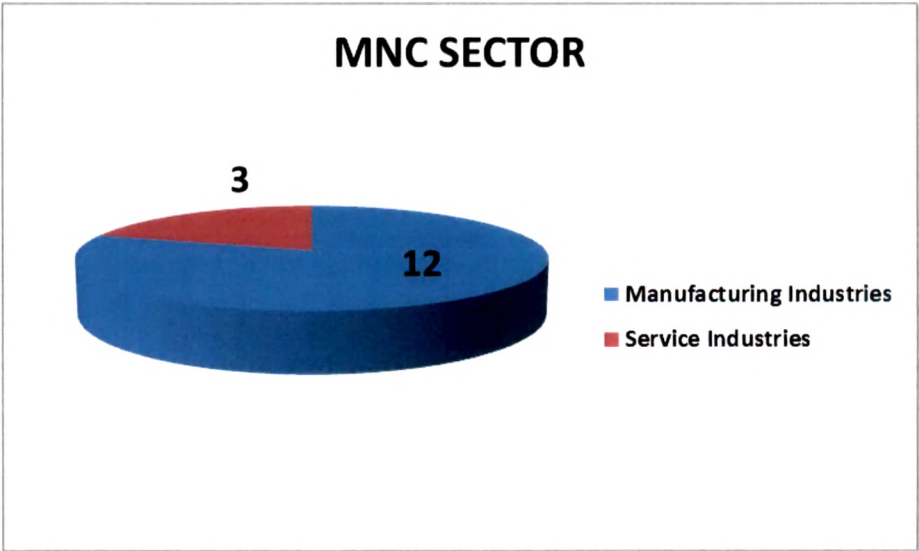
Number of MNC sector companies selected for data collection:

MNC Sector	CSR Activities at Vadodara	CSR Activities not at Vadodara but elsewhere
Manufacturing Industries	12	01
Service Industries	03	05
Total	15	06
Grand Total: 21		

**7.2 DATA ANALYSIS OF MULTINATIONAL SECTOR CORPORATIONS:
CSR ACTIVITIES ARE CARRIED OUT IN VADODARA REGION**

The following are the list of selected Multinational Corporations (15) located in Vadodara region, comprising of both manufacturing sectors and Service sectors and carrying their CSR activities in Vadodara.

Sr. No	Manufacturing Sector	Sr. No	Service Sector
1	Asea Brown Boveri Limited (ABB)	13	Domino’s Pizza
2	FAG Bearings India Limited	14	HSBC Bank
3	E.I. DuPont India Private Limited	15	Standard Chartered Bank
4	Bombardier Transportation India Ltd.		
5	Transpek-Silox Industry limited		
6	Gulbrandsen Chemicals Pvt. Ltd		
7	Huntsman-Baroda Textile Effects Pvt. Ltd		
8	Sud-Chemie India Pvt. Ltd		
9	Schneider Electronics		
10	Siemens Ltd.		
11	Linde Engineering India Pvt. Ltd.		
12	INEOS ABS		



7.2.i Asea Brown Boveri Limited (ABB)

Introduction

ABB is a leader in power and automation technologies that enable to improve performance while lowering environmental impact. ABB operations in India include 12 manufacturing facilities with over 10,355 employees. The ABB Group is increasingly leveraging the Indian operations for projects, products, services, engineering and R&D. One power transformer factory is located in Maneja, Vadodara.

CSR Activities

ABB has upgraded school buildings in nearby villages providing basic amenities and electricity to the rural places. ABB organized a visit to Community Science Centre for 309 students from Makarpura and Fatehpura Schools. They have organized road safety training to school children and distributed the important safety instruction pamphlets to all attended students. The company has organized teachers' training program through the trainers of Confederation of Indian Industry (CII), Vadodara. ABB started outsourcing parts of its electrical relay assembly in 2005 to the Sevathirth training and rehabilitation center in Vadodara. Since then more than 30 young people have been trained in the work. ABB pays Rs.50 for each assembled electrical relay, and workers at the center earn around Rs. 2,500 - 4,000 per month. They have been maintaining tree guards from Sayaji Garden to Vadodara Airport and built Airport Island, Tarsali Circle near to ABB Maneja, Fatehgunj Circle, Bhavan's School Circle etc.

Beneficiaries Account

Students, nearby village people, youth etc. are the beneficiaries of the company. An interaction with youth who work in electrical relay stated that they have got job opportunities through the outsource work of the company.

7.2.ii FAG Bearings India Limited

Introduction

FAG Bearings India Limited was incorporated in 1962. Since January 2002 FAG has been integrated into a strong network because that is when FAG, together with INA and LuK formed the Schaeffler Group. INA and FAG became the world's second

largest rolling bearing manufacturer. FAG India's headquarter and manufacturing facilities are located in Vadodara, Gujarat, India.

CSR Activities

FAG is involved into effective environment management system with respect to air, water, waste and noise; expansion of medical facility for betterment; certification of Occupational Health and Safety Management System for better and healthy work environment and commitment for safety of people working in the premises; and EU Standards in the areas of Environment Health and Safety. For the betterment of the society, donations are given to schools, providing free lunches to Mother Teresa's Missionaries of Charity at Maneja village, and for the purpose of portable huts for policemen, police commissioner of Baroda for renovation of police chow key at Tarsali, They are running Aanganwadi at Maneja village on monthly basis; blood donated to Blood Bank by employees regularly and V-One Society for providing aids to physically handicapped people.

Beneficiaries Account

School students, physically handicapped people, employees etc. are the beneficiaries of the company. The authority of Mother Teresa's Missionaries of Charity at Maneja village said FAG provides the children for lunches.

7.2.iii E.I. DuPont India Private Limited

Introduction

It is a subsidiary of US-based \$38 billion E. I. du Pont de Nemours Company. DuPont association with India started in 1802 when the first shipment of raw materials for black powder to be used in explosives was imported by India from the U.S. DuPont India. It markets a wide range of products in a variety of market segments including agriculture, food and nutrition; health care; home and construction; electronics; safety and protection; and transportation and infrastructure.

CSR Activities

CSR activities have focused on improving the education facility at the school and upgrading the village infrastructure and creating a hygienic school environment. The employees of DuPont India have contributed to Prayas - sponsoring few village

children at Savli by paying for their education, medical requirements, clothing, food and shelter. CSR activities include donating computers, RO plant at primary school, scholarship scheme to meritorious students, water tank at Manjusar village, drainage line and drinking water line, general health checkup, orthopedic medical camp, public sanitation block at Nimeshra village etc.

Beneficiaries Account

Students, local community people etc. are the beneficiaries of the company. A primary school in Savli has computers, RO system installation for drinking water provided by the company. The school authority informed that scholarship schemes are also available for meritorious students, provided by the company.

7.2.iv Bombardier Transportation India Ltd.

Introduction

Bombardier Transportation is the rail equipment division of the Canadian firm Bombardier Inc. Bombardier Transportation. The division is headquartered in Berlin, Germany. Bombardier Transportation produces a wide range of products including passenger rail vehicles, locomotives, bogies, propulsion and controls, in addition to offering a number of services. André Navarri is the current President of Bombardier Transportation. In January 2011 the company had 34,900 employees, 25,400 of them in Europe, and 59 manufacturing locations around the world.

CSR Activities

Bombardier Transportation is one of the world's largest companies in the rail-equipment manufacturing and servicing industry with need based CSR budget. In the aegis of Tree planting in India, thousands of saplings are planted with the help of Baroda School children. Bombardier supports Disha Project which provides assistance to the people who suffer from natural calamities.

Beneficiaries Account

Students, employees etc. are the main beneficiaries of the company. Tree plantation is seen in and around Vadodara especially in schools like Navrachana school, few primary schools etc.

7.2.v Transpek-Silox Industry limited (TSIL)

Introduction

An Indo-Belgian joint venture between Transpek Industry Limited, India, and Silox, S.A, Belgium, TSIL manufactures inorganic chemicals for a wide range of applications such as Textile, Paper & Pulp, Tyre & Rubber, Paint and Plastics etc. Silox S.A of Belgium, which is a JV between Prayon Group and Cybelle S.A from Belgium, has global presence and manufacturing locations in Europe, North America and Asia. Silox specialises in manufacture of high performance ‘active’ and other Zinc oxide grades, SHS and anti-corrosion pigments.

CSR Activities

The company is organized a creative activity for the students of 4th and 5th standard at Hynapura P. G. Shala and were taught how to make attractive ‘Toran’, wall hangings by using fancy material. They celebrated various occasions like celebration of Republic Day, Rakshabandhan, Sharad Purnima. The company often organizes Rongoli competition, Patriotic song competition, Debate competition, Sports competition, Children’s Workshop, Anganwadi Teachers Training etc. It has opened a library to promote learning attitude and to increase the level of general knowledge among the students. Housekeeping competitions are organized to raise the points like cleanliness, arrangement of decoration, hygiene at nearby selected villages. With the help of active NGOs, short occupational training programs on various skills like Embroidery, Pottery, Beauty treatments and Mehendi application are imparted to young girls. Similarly, women are trained in cottage industry skills like preparation of detergents, washing powders etc. They also provide lectures on preparation of healthy recipes to village women, informative lectures on post pregnancy etc. Periodic Medical Camps like eye checkup, orthopedic, lungs function capacity test etc. are held in villages around its manufacturing locations. Tree plantation is also part of their CSR activity.

Beneficiaries Account

School students, women and youth, local village people etc. are the beneficiaries of the company. An interaction with village women who attended empowerment programs like tailoring, flower making, detergent and washing powder making etc. shared that the trainings were quite useful and now few of them make detergent and

washing powder at home for household purpose and don't need to buy these items from shops.

7.2.vi Gulbrandsen Chemicals Pvt. Ltd.

Introduction

Gulbrandsen Chemicals Pvt. Ltd. is a subsidiary of Gulbrandsen Chemicals, USA. The company manufactures and exports anhydrous aluminum chloride worldwide. Gulbrandsen Chemicals Pvt. Ltd. has a plant for manufacturing of inorganic chemicals, organ metallic compounds and other chemicals located on coastal highway, village Mujpur, Vadodara.

CSR Activities

Gulbrandsen Chemicals provided infrastructure facility to nearby village schools located in Mujpur. The company helped the Public Health Centre (PHC) in terms of infrastructure, medical facilities etc. They constructed and provided water tanks and pumps to village people. They have provided toys, fans, lights to Anganwadis, they also distributed school bags to six nearby villages. Awareness on environment and tree plantation is also included in CSR program.

Beneficiaries Account

Local village people, students, etc. are the beneficiaries of the company. The doctor of Public Health Centre (PHC), near the company said that the company provided financial help to renovate and upgrade medical facilities of the PHC by the company.

7.2.vii Huntsman-Baroda Textile Effects Pvt. Ltd. (BTEPL)

Introduction

Baroda Textile Effects Private Limited earlier known as Baroda Textile Effects Limited was incorporated on 25th June, 2007 as a wholly owned subsidiary of Metrochem Industries Ltd. MIL's demerge its Baroda Unit as an ongoing business entity into BTEPL and subsequently divest the control of the company to Huntsman International (India) Private Ltd (HIIPL). The Baroda unit of MIL was demerged in June 2009 by a demerger scheme approved by the High Court of Gujarat and HIIPL acquired the business of BTEPL. Huntsman International (India) Private Limited (HIIPL) is a part of the Huntsman Corporation of USA.

CSR Activities

The CSR activities include capacity building of Anganwadi teachers through periodic workshops on effectiveness of pre-school education. 8 workshops were conducted till date with 27 Anganwadi workers. Provision of educational material given on periodical basis to 40 children; infrastructure upgradation to 6 Anganwadis; conducted parents-teachers meeting to create awareness on early childhood care etc. The company conducted 10 days summer camps in 2 villages on activity based learning, career guidance program, career guidance program for the kids of BTEPL associates included a test with kids on API model that is Aptitude + Personality + Interest and result sharing with one to one counseling. They have established a science lab in Dabhasa Kumar Shala; distribution of note books, school bags and benches to schools. Celebration of festivals like Kite flying, Janmastami and Diwali, provide academic achievement awards etc. are part of the CSR activities.

Beneficiaries Account

School children are the important beneficiaries of the company. The school authorities informed that the up gradation of six Anganwadis undertaken by the company makes in a better way which makes a comfortable place of learning and provided necessary facilities to the children.

7.2.viii Sud-Chemie India Pvt. Ltd.

Introduction

The company was registered in 1969 as Catalysts and Chemicals India (West Asia) Pvt. Ltd. The name was first changed to United Catalysts India Ltd. and then to Süd-Chemie India Ltd., consequent to change in name of the parent company. Manufacturing operations at Cochin unit has started in 1970. Baroda unit was started in 1978. The company has been catering to the Syngas catalyst requirements of almost all the fertilizer manufacturing companies in India. They are market leaders for Syngas catalysts in India. Refineries and Petrochemical industries are also using catalysts with the introduction of MIDREX catalysts, started meeting the requirements of Sponge Iron Plants also.

CSR Activities

The company helps the school through free health checkup to school children, health checkup for women and villagers. They have often organized drawing and quiz competitions. It has distributed note books and other stationary to deprived school children. They involved into improvement of school infrastructure, tree plantation and environment day celebration, providing vocational training of higher section of schools in the villages of Angadh, Nandesari, Ramgadh, Rampura etc.

Beneficiaries Account

School students, women, local community people etc. are the beneficiaries of the company located in Angadh, Nandesari, Ramgadh, Rampura villages. The school principal shared that the students have received books, stationary etc. in the year 2010-11.

7.2.ix Schneider Electronics India Pvt. Ltd.

Introduction

Schneider Electric SA is a France-based multinational corporation that specializes in electricity distribution, automation management and produces installation components for energy management. It is headquartered in Rueil-Malmaison, France. Baroda Plant Sprawling over 9,000 Sqm of built-up area on 35,000 Sqm, produces Switches, Wiring Accessories and Cable Management Systems for international and domestic markets. All processes, taking place at the plant are ISO 9000-2000 and ISO 14000 certified and products also comply with stringent European standards on quality including ROHS.

CSR Activities

The company has its own foundation called “Schneider Electric Corporate Foundation” established in March 2008. BipBop program is initiated to address three key issues to provide sustainable access to electricity: the lack of appropriate equipment through the development of an adequate offer, the lack of financial resources available for innovative energy entrepreneurs through funding and the skills and expertise shortage through technical and business training. The Vadodara plant celebrated Luli Week from 1st to 5th July 2013 aimed to reduce ‘Carbon Footprints’ and come by walk to the plant. They contributed “shram dan” join hands with United

Way of Baroda to help in packaging of school kits, organized career guidance workshop in village school to guide 10th and 12th standard students. The company conducted blood donation camp within the plant and collaborated with local hospitals. Schneider Electric India Won the Golden Peacock Award for Corporate Social Responsibility on April 28, 2012.

Beneficiaries Account

Local community people, children, employees etc. are the beneficiaries of the company. The employees of the company as prime beneficiaries said that they have participated in Luli week and walked to promote the drive to reduce carbon footprints.

7.2.x Siemens Ltd.

Introduction

Siemens in India is a leading powerhouse in electronics and electrical engineering with a business volume aggregating about Rs. 12,000 crore. Siemens Ltd., in which Siemens AG (Germany) holds 75% of the capital, is the flagship listed company of the Siemens group in India. It is the only Siemens company in the world other than parent Siemens AG and Siemens Inc. in America that is listed on the stock exchanges (NSE: SIEMENS; BSE: SIEMENS). It operates in the core business areas of Industry, Infrastructure and Cities, Energy and Healthcare. It has nation-wide sales and service network, 21 manufacturing plants and employs about 18,000 people.

CSR Activities

Health and education are major concerns in CSR implementation. Siemens India is involved in providing free drinking water and electricity in rural areas, having own ambulance called Sanjivini which runs in villages providing free medicines and doctors to needy villagers. The employees of Siemens get 7 days voluntary leave for doing company's CSR activities. ITI employees are sent to impart technical lectures. The company is renovated Maneja Municipal School and organized drawing competition with the theme of environment, tree plantation, save electricity, save water etc. among students and given prizes to them.

Beneficiaries Account

School children, employees, etc. are the beneficiaries of the company located in Maneja and other sub plants of the company. The teacher of the Maneja Municipal School shared that the company has organized drawing competition among the students of the school.

7.2.xi Linde Engineering India Pvt. Ltd.

Introduction

Linde Engineering, a division of the Linde Group, is a leading world-wide technology partner for plant engineering and construction. Linde's global success is built on Linde's extensive process engineering expertise in the planning, project development and construction of turnkey industrial plants. With more than 1,000 process engineering patents and 4,000 completed plant projects, Linde ranks among the leading international plant contractors. Linde Engineering India Pvt. Ltd. (LEI) was established in 1987 with its Indian operation head office in the banyan city of Vadodara with 900 employees.

CSR Activities

Educational initiatives done by the company in the slum area of Fatehgunj with the help of NGO called Pratham NGO. A donation box is placed in the office reception and the management asks employees to donate money for good cause. The collected money goes to the Pratham NGO and other social causes.

Beneficiaries Account

Slum people, employees etc. are the beneficiaries of the company. A donation box is seen in the office reception to collect donation from the employees. The employees stated that they do contribute to the good cause.

7.2.xii INEOS ABS

Introduction

The Company was originally incorporated as ABS Plastics Limited in the year 1973 then changed its name to ABS Industries Limited. The erstwhile ABS Industries Limited now INEOS ABS (India) Limited (the "Company"™) w.e.f. June 17, 2008, is a pioneer in developing the market for the versatile engineering thermoplastic

material “Acrylonitrile Butadiene Styrene (ABS) in India. In early 1997, Bayer Industries Private Limited, a 100% holding company of the German major, Bayer AG acquired a majority share of 51% in ABS Industries Limited.

CSR Activities

The CSR activities of the company included organized free blood donation camps; provide stationaries and other necessary amenities to nearby schools and their children. The company is engaged into some charity and sponsorship to various religious and cultural events. Tree plantation and environment awareness also part of the CSR activities. The company says the employee welfare and safety is also key point in CSR.

Beneficiaries Account

Local village people, employees etc. are the beneficiaries of the company. The beneficiaries of the company mainly villagers from Nandesari, informed that the company conducts blood donation camps, awareness camps in the village.

7.2.xiii Domino's Pizza

Introduction

Domino's Pizza is an American restaurant chain and international franchise pizza delivery corporation headquartered at the Domino Farms Office Park in Ann Arbor Township, Michigan, United States, near Ann Arbor, Michigan. Founded in 1960, Domino's is the second-largest pizza chain in the United States (after Pizza Hut) and the largest worldwide, with more than 10,000 corporate and franchised stores in 70 countries.

“Domino's Pizza India Private Ltd” started operations in 1996 subsequently changed its name to “Jubilant FoodWorks Ltd” in 2009. The company's and India's first Domino's Pizza outlet was opened in New Delhi in 1996. The company runs 576 Domino's Pizza outlets in 123 cities as of 31 March 2013. India is a major market for Domino's Pizza. Eight out of the top 10 Domino's restaurants in the world by volume (number of pizzas sold) are located in India.

CSR Activities

The Domino's Pizza team in Vadodara provides free fruits and meal to hospitals, slum areas etc. The team provides free fruits to all patients especially women at Jumnabai General Hospital, Vadodara. The team is also provides blankets to poor people during winter season.

Beneficiaries Account

Customers, mothers and children etc. are the beneficiaries of the company. An interaction with 10 women with new born babies in the Jamnabai General Hospital (Gujarat Government undertaken) shared that a team of 12-15 staff of Domino's Pizza has visited the hospital on 30th December 2011, and distributed fruits to all of them.

7.2.xiv HSBC

Introduction

HSBC Holdings P.L.C. is a British multinational banking and financial services organisation headquartered in London, United Kingdom founded in London in 1991 by The Hongkong and Shanghai Banking Corporation. The origins of the bank lie in Hong Kong and Shanghai, where branches were first opened in 1865. The HSBC name is derived from the initials of The Hongkong and Shanghai Banking Corporation Limited. HSBC's origins in India date back to 1853, when the Mercantile Bank of India was established in Mumbai. In India, the Bank offers comprehensive products and services to its corporate and commercial banking clients as personal banking customer base.

CSR Activities

Future first is supporting to set up a 'Khelvigyan Center' (Toy Library) with toys that engage children who otherwise have little access to healthy and educational forms of recreation. Future First is a five-year, US\$ 10 million initiative of the HSBC Global Education Trust led out of HSBC in India. The main focus area: Non-formal Education, Beneficiaries: Children from poor families and Number of beneficiaries: 3000. Rural Urban Development Institute (RUDI) Manager's School in 9 districts in the Western India state of Gujarat is run by SEWA (Self Employed Women's Association) Gram Mahila Haat. It imparts on-going Western India, Gujarat (Rural) managerial and leadership inputs to rural producer groups who are poor, self-

employed women workers in the inform economy. These women are members of SEWA, India's largest movement of over 600,000 self-employed women in urban and rural Gujarat. The objective of HSBC RUDI Manager's School is to enhance skills of women so as to improve marketability of their products by educating them on advanced production techniques and introducing them to economic concepts such as supply-and-demand prediction.

Beneficiaries Account

Rural people, women, customers etc. are the beneficiaries of the bank. The women of the SEWA (Self Employed Women's Association), have got practical exposure and few of them started small income generating business/program in the rural village.

7.2.xv Standard Chartered Bank

Introduction

Standard Chartered PLC is a British multinational banking and financial services company headquartered in London, United Kingdom. It operates a network of over 1,700 branches and outlets (including subsidiaries, associates and joint ventures) across more than 70 countries and employs around 87,000 people. It is one of the India's largest international banks with 99 branches in 42 cities, and have been operating since 1858.

CSR Activities

The Standard Chartered is title sponsor of Mumbai Marathon for the last ten years. The branch in Vadodara conducted blood donation camps especially concerned with thalassemia patients. They are involved into sponsorship and charitable contributions.

Beneficiaries Account

Customers, employees, patients etc. are the beneficiaries of the bank. The authority of the Mumbai Marathon stated that the Standard Chartered Bank is one of the prime sponsors of the mega event.

DATA INTERPRETATION

Following are few diagrams with data (in percentage) of MNC sector industry, Vadodara to show the CSR and its relevant information. In MNC sector, the views

seem to be same as Private sector companies e.g. 53.33% says contact with enterprises or professionals and 46.66% says reading of official documents are major sources of getting information on CSR. Surveys or studies get least response of 20%. Here 40% of companies response says internet source plays one of the key role compared to other two sectors (Figure 1).

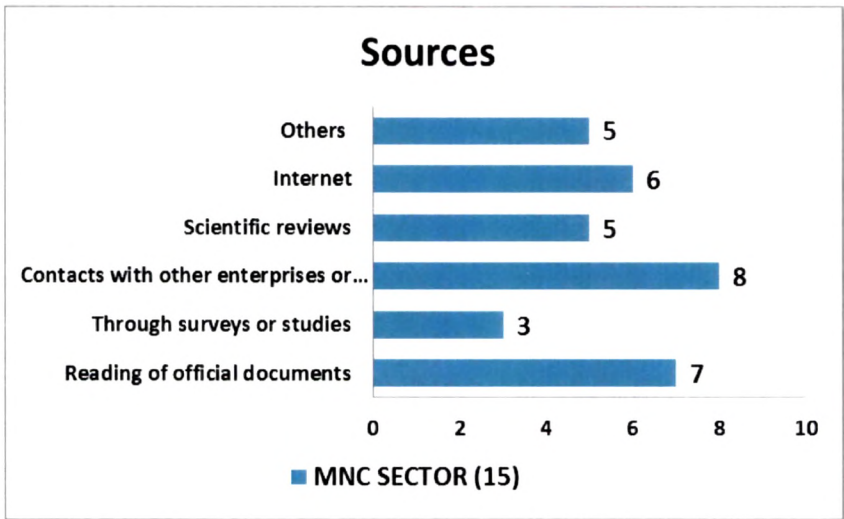


Figure 1 Sources of Knowledge about CSR

In MNC sector, 93.33% says employees are major stakeholder than other stakeholders (Figure 2).



Figure 2 Identified Stakeholders

In MNC sector the responses seem more high on support, encouragement, planning, analysis and least on assessment either internal and external (Figure 3).

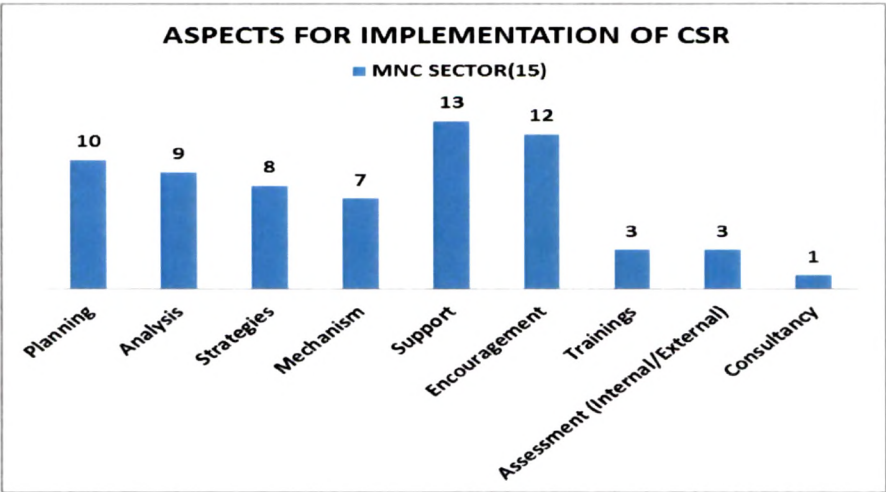


Figure 3 Various Aspects related to CSR Implementation

In MNC sector, the key area education (66.66%), health care (60%), environment (53.33%), child welfare (53.33%) provide more focus than the other areas. The data is not found any provision for microfinancing and credit assistance (Figure 4).

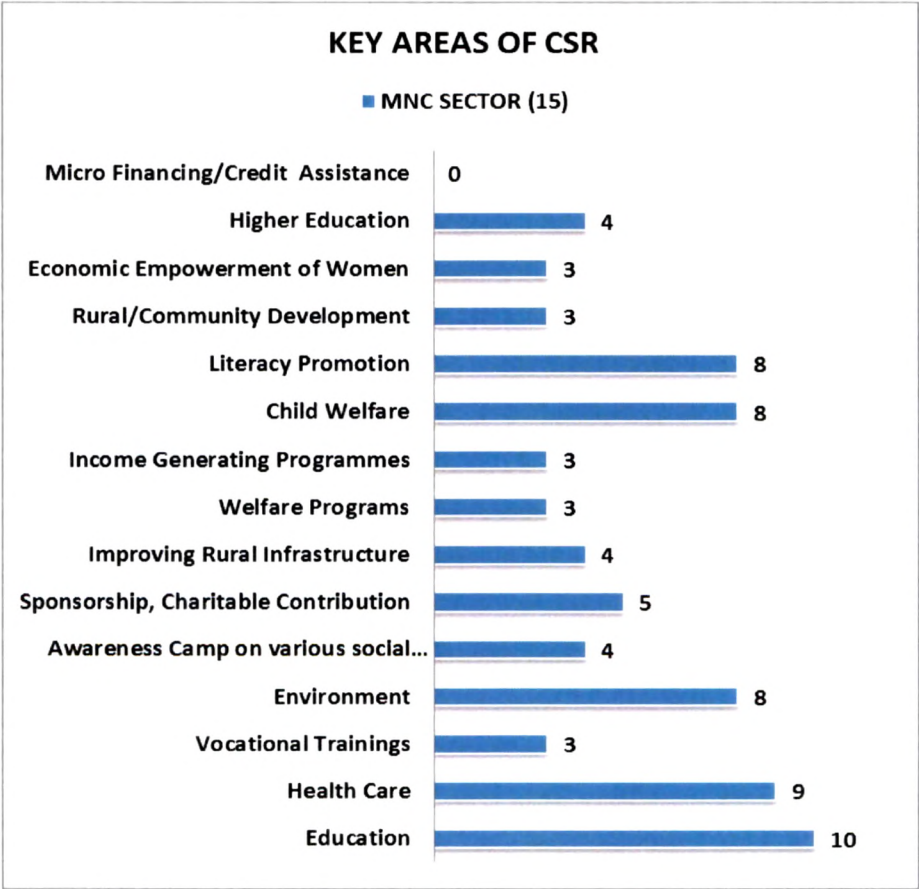


Figure 4 Key Areas of CSR

In MNC sector, 14 companies or 93.33% stated that the purpose of CSR is to work for betterment of local society. They said profit making (33.33%) and tex reduction (33.33%) are least important in the process of CSR implication (Figure 5).

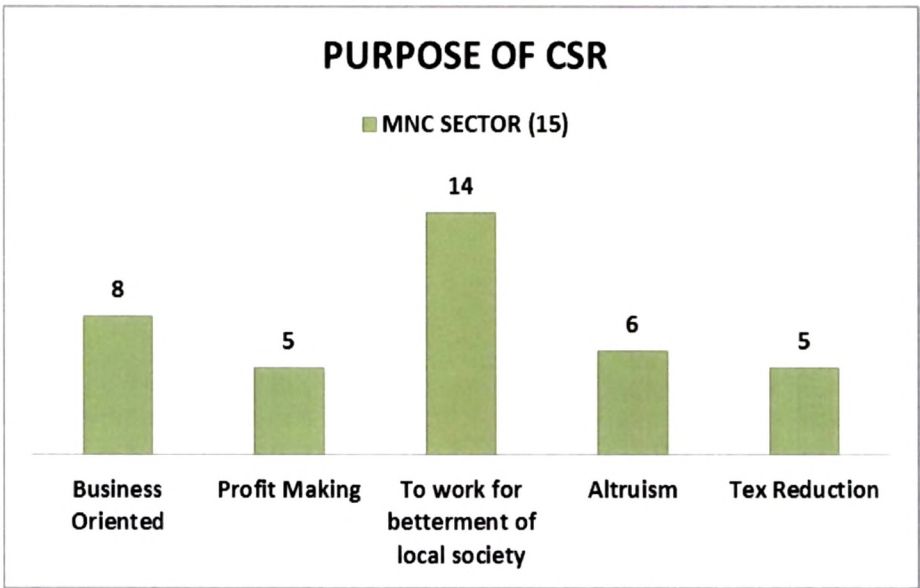


Figure 5 Purpose of CSR

In MNC sector, the mechanism involved for most of their CSR works is done directly through HR personnel and NGO help. There is least response on taking help of government agencies and having their own foundation (Figure 6).

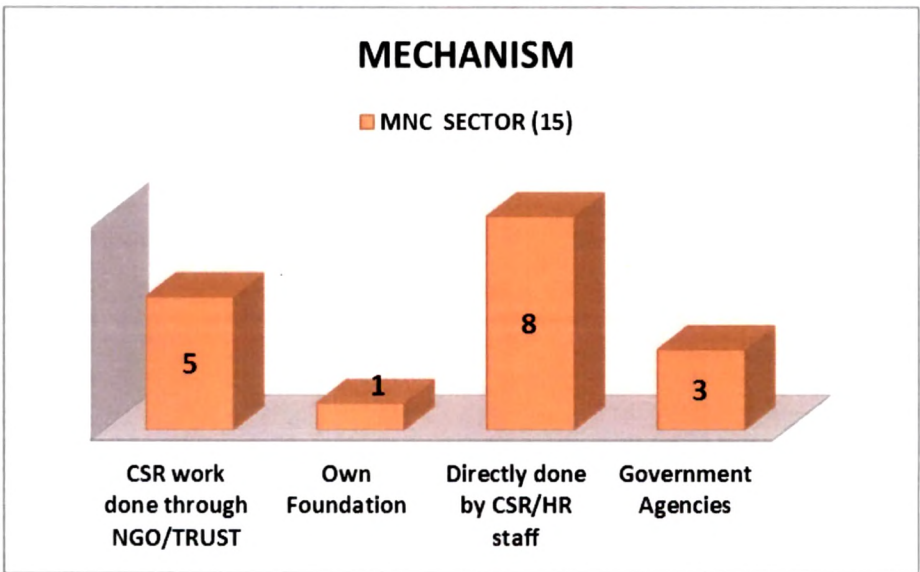


Figure 6 Mechanisms for CSR

In MNC sector, local communities (80%) and children or students (66.66%) are most important beneficiaries. Focusing on tribal community, sports personnel and physically challenged are least concern (Figure 7).

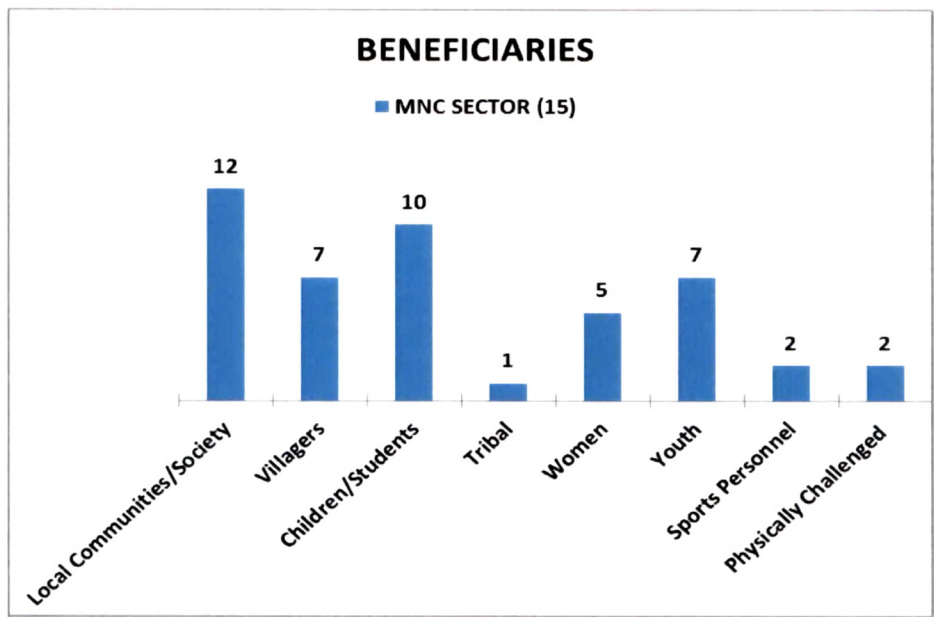


Figure 7 Lists of Beneficiaries

In MNC sector, 13 corporates said that they are taking required precautions for environmental pollution. Least response received in involvement of mitigating global warming (Figure 8).

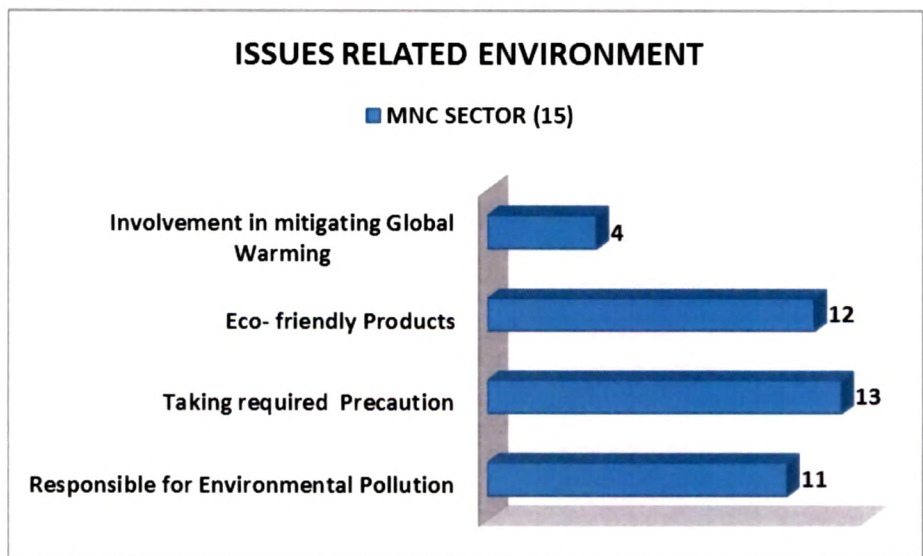


Figure 8 Issues related to Environment

In MNC sector,the responses on the benefits of having CSR or doing CSR activities can create responsible organisation (80%), both good rapport and image building (73.33%) gets equal response. They gave least response on tax reduction (40%) as organisation benefits (Figure 9).

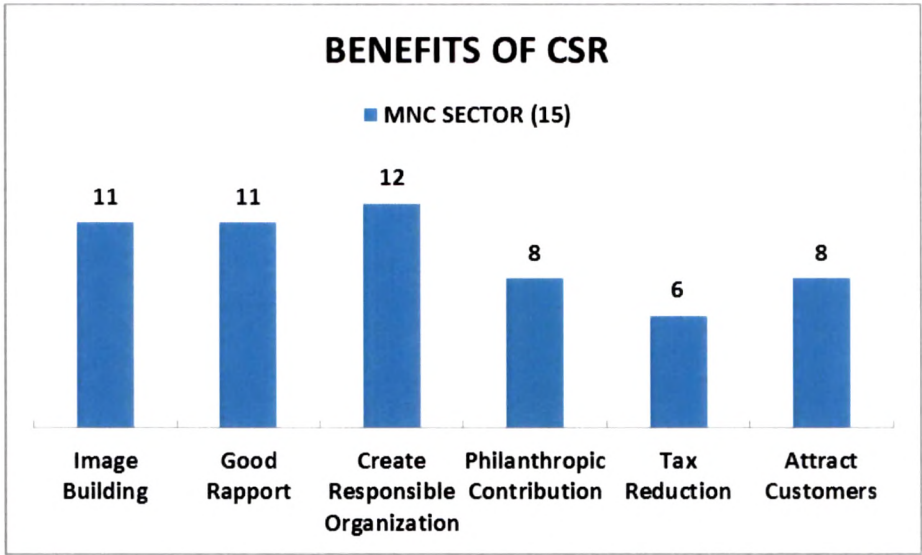
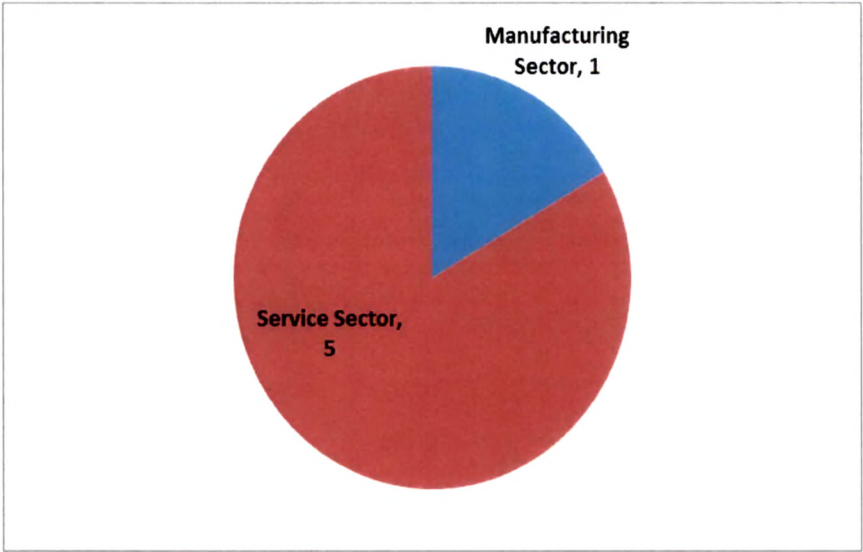


Figure 9 Benefits of CSR

7.3 DATA ANALYSIS OF MULTINATIONAL SECTOR CORPORATIONS IN VADODARA REGION: CSR ACTIVITIES ARE CARRIED OUT ELSEWHERE

The following are the selected MNC Sector Companies (06) in Vadodara, but their CSR activities are carried out not in Vadodara but in other branch offices elsewhere.

Sr. No.	Manufacturing Sector	Sr. No.	Service Sector
1	General Motors (GM)	2	Vodafone
		3	Blue Dart Express Ltd. (DHL)
		4	TUV Rheinland (India) Pvt. Ltd.
		5	Thomas Cook
		6	City Bank



7.3.i General Motors (GM)

Introduction

General Motors Company, Inc., commonly known as GM (General Motors Corporation before 2009), is an American multinational automotive corporation headquartered in Detroit, Michigan, and among the world's largest automakers by vehicle unit sales, employing 202,000 people and doing business in 157 countries. General Motors produces cars and trucks in 37 countries, and sells and services the vehicles through the brands - Chevrolet, Buick, GMC, Cadillac, Baojun, Holden, Isuzu, Jie Fang, Opel, Vauxhall, and Wuling. GM India started its Indian journey in 1996 and offers products under the Chevrolet brand in the country. Its flagship brand, Chevrolet, was introduced in India in 2003, under the banner "For a Special Journey Called Life". One manufacturing unit is located in Halol, Vadodara.

CSR Activities

General Motors Foundation has donated more than \$315 million in grants to support nonprofit organizations within the areas of Education, Health and Human Services, Environment and Energy and Community Development. In 2010, the GM Foundation committed an unprecedented \$27.1 million grant to the United Way for Southeastern Michigan. This was the largest donation in the GM Foundation's history. The funds will create a "Network of Excellence" in seven metro-Detroit high schools: Central High School (Detroit), East Detroit High School, Hamtramck High School, Harper

Woods High School, Henry Ford High School (Detroit), River Rough High School and Madison High School (Madison Heights).

GM and the GM Foundation have contributed more than \$1 million to the American Heart Association and have focused on research and prevention of the major illnesses of heart disease, cancer and diabetes. The Web-based Countdown2Drive program is designed to help parents and teens discuss and reinforce key habits for safely riding with other drivers. Through the program, parents and their teens draft an agreement that reinforces safety behaviors such as always wearing a safety belt, reducing driver distraction and checking in with parents upon arrival or departure. The GM Foundation and General Motors contributed more than \$10 million to the MLK Foundation for the Martin Luther King, Jr. National Memorial that was dedicated on October 16, 2011.

GM Foundation and Earth Force sponsored the inaugural Chevrolet GREEN Educator Awards. In conjunction with the GM GREEN program, 20 educators nationwide were honored with the inaugural Chevrolet GREEN Educator Award. Established by Earth Force Inc. and the General Motors Foundation, the award recognizes exceptional educators who integrate environmental education into their classrooms.

7.3.ii Vodafone India Limited

Introduction

Vodafone Group is a British multinational telecommunications company headquartered in London and with its registered office in Newbury, Berkshire. It is the world's second-largest mobile telecommunications company measured by both subscribers and 2011 revenues, and had 439 million subscribers as of December 2011. Vodafone owns and operates networks in over 30 countries and has partner networks in over 40 additional countries. Vodafone also owns 45% of Verizon Wireless, the largest mobile telecommunications company in the United States measured by subscribers. Vodafone India, formerly Vodafone Essar and Hutchison Essar, is the third largest mobile network operator in India after Airtel and Reliance Communication by subscriber base. It is based in Mumbai, Maharashtra. It has approximately 147.48 million customers as of December 2012.

CSR Activities

Sanchar Shakti project, in partnership with the Department of Telecommunications operates in seven rural areas of India. It aims to improve women's information communication technology skills and supports to know information about health, social issues and government schemes sent to the women, who are members of their local self-help group, over their mobile phones. The Women and Innovation Awards (WIN Awards) celebrate the use of mobile technology to improve the lives of women across India in the areas of education, health and economic empowerment. In partnership with the Digital Empowerment Foundation, the Vodafone Foundation hosted the WIN Awards on Friday 2nd December at the India Habitat Centre in Delhi. Grant of INR 4 million given for best socially empowering mobile initiatives in India. The Vodafone Group Foundation has allocated a total of £150,000 to assist victims across the country through International relief agencies including Oxfam. Red Alert is an emergency SMS fundraising program enabling Vodafone Foundations and Vodafone companies to emergencies and disasters. The program provides the facility for Vodafone employees and customers in 21 countries to give free of charge to appeals via SMS in response to disasters and emergencies.

7.3.iii Blue Dart Express Ltd. (DHL)

Introduction

It is South Asia's premier courier and integrated express package Distribution Company. It has extensive domestic network covering over 33,751 locations, and service more than 220 countries and territories worldwide through group company DHL, the premier global brand name in express distribution services. In 8 November 2004, DHL Express invested €120 million in Indian domestic courier Blue Dart and became the majority shareholder in the company.

CSR Activities

Blue Dart's commitment towards community causes since its inception in 1983. As part of the DHL Group and in line with its CSR platform, Blue Dart's major focus areas are – Education, Environment and Disaster Management.

Education (Go Teach)

In association with Oasis India (NGO) started an initiative called "Blue Edge - Empowering Lives", which is aimed at the lives of young adults from difficult

environment, who have not been able to complete their education. Through this initiative around 50 students every six months have provided training on English Speaking, Computer Skills, Life Skills and Customer Orientation. Since inception, 524 students have successfully completed this program and have felicitated at seven Graduation Ceremonies held in Blue Dart headquarters in Mumbai.

Environment (Go Green)

The company has taken up various steps to sum up as 'Go Green' initiatives like Sapling plantation, Mangrove Clean-up, Recycling Waste, Energy Conservation (Eg. Power Saver: Lights Off Initiative) and Route Optimization.

Disaster management response (Go Help)

In association with Think Foundation (NGO), Sarla Blood Bank and other blood banks regularly hold Blood Donation Drive facilities, to help young Thalassemia patients, who need blood transfusion every 15 days to survive. In October 2009, DHL Team from all business units worked out to send the relief material to the flood affected areas of Karnataka and Andhra Pradesh. They organize the 'Help a Child' initiative to give 'gifts' to deprived children during the festive season of Christmas. The gifts comprised bags of donations - clothes, woolen clothes, toys, books, stationery, school bags, shoes, lunch boxes, water bottles, soaps, shampoos, toothpaste, etc.

7.3.iv TUV Rheinland (India) Pvt. Ltd.

Introduction

TÜV Rheinland is a global provider of technical, safety, and certification services. TÜV Rheinland was founded in 1872 and has its headquarters in Cologne, Germany. It employs more than 16,000 people in 500 locations in 65 countries and generates annual revenues of € 1.5 billion till 2012. The group's guiding principle is to achieve sustained development of safety and quality in order to meet the challenges arising from the interaction between man, technology and the environment. TÜV Rheinland has bundled its more than 2,500 services into a portfolio of 42 global business fields. One regional office is located in Gotri, Vadodara.

CSR Activities

Employees donated a day's salary and some of them also volunteered to render social service to people affected by the Tsunami in December 2004. Employees participated

in blood donation camps organized by Lions' Blood Bank in Bangalore for four consecutive years in 2007, 2008, 2009 and 2010. Employees offered a days salary and contributed to the Deccan Herald Flood Relief Fund for people affected in the floods in Bihar (Eastern India) and North Karnataka during 2008 and 2009 respectively and provided tables, chairs and school benches to the children of about 7 villages which were badly affected. TUV Rheinland India helped a Tent School at Kundalahalli, near Whitefield, Bangalore (meant for children of construction workers in the unorganized sector) and provided the school with Chairs and Furniture apart from providing school books and sweets during the visit of Mr. Ulrich Feitz in May 2009.

7.3.v Thomas Cook (India) Ltd.

Introduction

Thomas Cook Group is a British global online/offline travel company created on 19th June 2007 by the merger of Thomas Cook AG and MyTravel Group. Thomas Cook India Ltd. (TCIL), earlier a subsidiary of Thomas Cook group. Currently Thomas Cook (India) Limited is promoted by Fairfax Financial Holdings Limited through its wholly owned subsidiary, Fairbridge Capital. Presently operates in over 101 cities across 250 locations, including 28 airport counters. Thomas Cook (India) Ltd. is one of the largest integrated travel and travel related financial services company in the country offering a broad spectrum of services that include Foreign Exchange, Corporate Travel, Leisure Travel, and Insurance. The Company launched its Indian operations in 1881 and is celebrating its 133 years of world-class service in India in 2012 (at the time of data collection). Thomas Cook India ltd. is listed both on Bombay Stock Exchange as well as National Stock Exchange.

CSR Activities

The Key elements of CSR are -

Customers: In the sustainability report, Thomas Cook stresses that the company is obsessed with customer service and that the keyword for them is “satisfied customers”. All staff with direct contact to customers goes through customer service training programmes to assure the best and highest standard of service. That is why Thomas Cook proudly received many awards, e.g. Favourite Package Holiday Company in 2010.

Employees: Thomas Cook works to engage and motivate its employees in order to create a sustainable competitive advantage. It is also reached by completing employee surveys and by having an open communication where employees can raise concerns without fear of retribution. Thomas Cook makes sure to acknowledge employees who have demonstrated exceptional commitment and it rewards high levels of performance and loyalty.

Suppliers: Thomas Cook wants to influence its suppliers to improve their sustainability performance and to show best practices in the industry. In order to do so, Thomas Cook sends an electronic magazine to the suppliers with inspiration from previous sustainability projects in other destinations and hopefully, it can inspire the suppliers to do the same. Managers and staff from the hotels are sent to training to be more responsible and implement sustainability measures. For instance, hotels should measure its energy, water, fuel and towel use. With some simple changes, the overall consumption can be reduced significantly.

Environment: One of the main points in the company's environmental management is to reduce and report on carbon emission from aircrafts. Thomas Cook tries to keep a high load factor on all aircrafts to lower the emissions per passenger per kilometre. The pilots also take different measures to be more fuel efficient, e.g. the aircrafts are equipped with light-weight items in the cabin and the pilots choose the more direct route to save fuel. Reducing and recycling waste is another focus area for Thomas Cook. For instance paper and expired brochures from the offices and catering waste from the aircrafts are recycled and the airports are also encouraged to make some changes.

Communities: The fifth and last focus area is their community that means both home communities and destination communities. One cause that is particularly important is projects to help sick and disadvantaged children. Thomas Cook asks its customers to make donations if they wish to support the cause and the company also collects unwanted currency on return flights to the United Kingdom. In Northern Thailand, Thomas Cook works hard to overcome problems concerning child labour, child trafficking and child prostitution. Thomas Cook has built a 'School for Life' that gives education to children and furthermore, it gives money to many organisations that struggle to overcome negative impacts of tourism.

7.3.vi City Bank

Introduction

Citibank is the consumer banking division of financial services multinational Citigroup. Citibank was founded in 1812 as the City Bank of New York, later First National City Bank of New York. As of March 2010, Citigroup is the third largest bank holding company in the United States by total assets, after Bank of America and JPMorgan Chase.

CSR Activities

The Citi Foundation supports the economic empowerment and financial inclusion of low to moderate-income people in communities where the banks operate. They work collaboratively with a range of partners to design and test financial inclusion innovations with potential to achieve scale and support leadership and knowledge building activities. The core focus areas included are -

Financial Capability and Asset Building – Increases in the number of low to moderate income adults/youth who learn financial behaviors and accumulate and preserve financial assets.

Microfinance – Increases in the supply and use of financial products, supplied by microfinance institutions that improve and accelerate the financial inclusion of low to moderate income individuals.

Enterprise Development – Increases in the number of micro or small enterprises that provide new income generation and/or employment opportunities for low to moderate income individuals.

College Success– Increases in the number of low- to moderate income secondary school students who are meeting the academic, financial and social milestones to enroll in and complete postsecondary education.

Youth Education and Livelihoods– Increases in the number of low-income youth, ages 13-25, who complete secondary school, become employed, start their own income-generating business or obtain postsecondary education or training.

Neighborhood Revitalization – Increases in the number of small businesses, affordable housing units or community facilities that contribute to the economic and/or environmental sustainability of low- to moderate-income communities.

Disaster Response – Supporting preparedness, immediate response, and rebuilding efforts, that all contribute to the long-term economic recovery of communities

7.4 MAJOR FINDINGS AND INTERPRETATIONS

7.4.i MNC Sector - Manufacturing Industries

The CSR activities of selected 12 MNC sector Manufacturing industries in Vadodara are involved into education, health care, renovation of schools, vocational training courses for youth and children.

- Tree plantation and environment day celebration are most common CSR activities.
- The CSR activities are done under the aegis of HR department.
- All these companies follow statutory precaution to maintain factory free from pollution.
- Few of these companies' are involved in sponsorship and charitable donations.
- Most of these companies budget for CSR is not fixed and the CSR activities are not implemented in structured and regular way.
- They stated that central head office is more responsible in doing CSR activities.

7.4.ii MNC Sector - Service Industries

The selected 3 MNC sector service industries are not so actively involved in CSR activities in Vadodara region.

- One main CSR activity included is organizing blood donation camps.
- Tree plantations, fruits distribution to patients, donations and sponsorships etc. are few concerns of corporations.
- Activities are mostly run under the HR personnel.

7.5 PHOTOGRAPHS

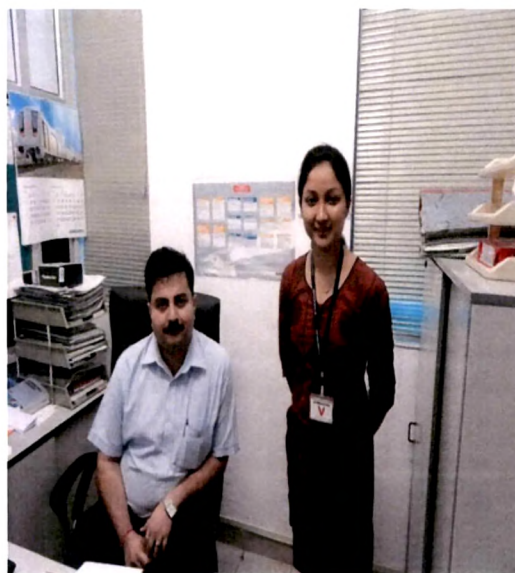
Respondents (HR/CSR Officials) from MNC Sector Companies in Vadodara



Mr. Amit Arora (HR Specialist)
Mr. Prashant Paralikar (HR Executive)
E.I. DuPont India Pvt. Ltd. Vadodara



Mr. Jayprakash Nair, Executive (T&D)
FAG Bearings India Limited



Mr. Dibyendu C. Thakur
Head - HR, Bombardier Transportation,
Vadodara



Mr. Amarjit Singh Atthwal,
Asst. General Manager – HR,
Sud Chemie India Pvt. Ltd., Vadodara

Various CSR Activities Undertaken by MNC Sector Companies at Vadodara



Health checkup camp by Transpek-Silox, Vadodara



Beauty Parlor courses to girls by Transpek-Silox, Vadodara



Luli Week by employees of Schneider Electronics to reduce carbon footprint



Work Station at Seva Tirth by ABB



Tree guards provided by ABB



Fatehgunj Circle maintained by ABB



Training Course on flower pot making by Transpek-Silox, Vadodara



Fruit distribution by Domino's Pizza Employee

With Beneficiaries



A mother at Jamnabai General Hospital, Vadodara



Team of Domino's Pizza, Vadodara



Jamnabai Hospital at Mandvi, Vadodara



Akshaya Patra Foundation, Vadodara