

# **PART- IV**

## **CHAPTER: 9. CONCLUDING REFLECTIONS**

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## **CHAPTER - 9**

### **CONCLUDING REFLECTIONS**

#### **9.1 CONCLUDING REMARKS**

The concept of CSR is new and developing in a considerable way. The study mapping highlights that the corporate sector in Vadodara region is taking newfangled steps and showing major concern in initiating the following issues of social development under the purview of CSR.

- The activities mainly focus on education, health care, rural infrastructure, youth and women empowerment and environment.
- They design and implement social development activities in the vicinity of their operation, keeping the entire community in mind.
- Most of the CSR initiatives target nearby villages and communities.
- The programs involve the welfare of village children, youth, women and elderly people as their major beneficiaries.
- The main aim/motive to implement the CSR activities is to build a good rapport and maintain harmony with the neighboring communities/villages, and doing good deeds for the society or community development as a whole.
- It is found that the Public Sector companies in Vadodara are utilizing their 2% of their net profit in a planned and regular ways as compared to private and MNC sectors. According to Central Public Sector Enterprises (CPSEs), all CPSEs having PAT above Rs. 500 Crores in a year, the range of budgetary allocation for CSR and Sustainability activities has been raised to 1%-2% (effect from 1<sup>st</sup> April, 2013). All CPSEs shall strive to maximize their spending on CSR and Sustainability activities and move towards the higher end of their slabs of budgetary allocation.
- Majority of the large Public Sector enterprises have separate management policy for their CSR implementation i.e. GSFC, IOCL etc. But most of the private and MNC sectors have CSR initiatives on need based, if they allocate a fixed budget for CSR initiatives, they can really uplift the poorer sections of society and be a part of sustainable development.

- The corporates are integrating their business values and operations to meet the expectation of all stakeholders i.e. customers, employees, regulators, investors, suppliers and the community.
- Companies which are actively involved into CSR, participate in 'need identification' either through a survey/baseline/need assessment or through discussion with the representatives of the local self-government, Panchayat or village headman, or other influential groups in the area. Based on this process of need identification, they are planning and implementing CSR programs.
- They are sometime making efforts to involve elderly experienced persons in these discussions.
- One might see a wide spectrum of activities ranging from agricultural development, construction of school buildings, giving donations; providing the drinking water; arranging health check-up camps; providing mobile health services; conducting income generating activities for youth and women; establishing children's education and women literacy program etc.
- It is found that these programs are with some interventions affecting the beneficiaries in the area of primary education, Anganwadi, nutrition, health and vocational training for adolescent girls and boys.
- The corporate sectors identified their stakeholders as employees, customers, shareholders, suppliers, local communities etc.
- As CSR point of view the major stakeholders are employees and local communities at large.
- The data shows that some corporates take the stakeholder into confidence to assess the development priorities/or target the organization supported.
- Majority of respondents shared that in the planning of these activities they take into consideration the issues and needs of the organization and community.
- CSR activities are also aligned with planned or ongoing organization policies, programs, and processes.

CSR in Vadodara region is in an evolutionary stage. It should be very strategic, system oriented and interwoven with the main business strategy of the organization. It is shown that the phenomenon of decision making and budget approval for CSR depends on board members or top management or the founder/the CEO. Even though

a majority of the CSR initiatives follow more of the philanthropic approach to work, stakeholder oriented model of work is also witnessed.

Whatever the nature of model being followed and how much ever the scale of operations be one thing is very clear that more and more corporations would like to either start or continue with their CSR initiatives because the corporate bodies believe in certain philosophy towards CSR. As a result they view CSR as:

- ✓ a sense of giving back to society
- ✓ is an intrinsic value
- ✓ being a “good thing to do”
- ✓ can help to build good rapport with surrounding communities
- ✓ can help to establish an image of good and responsible organization

It is being increasingly realized that the government alone cannot address all the issues and problems facing by a region or the nation at large. The corporate sector with vast resources in financial, human, technological or knowledge, at its command, has an important role to play in this regard of development. If this is accepted as a premise, then, it is all the more important that CSR initiatives start moving away from cheque book type charity and philanthropic initiatives to more strategic and long term initiatives. The long term initiatives should also be well aligned with the national priorities and should have inbuilt monitoring and impact measurement systems.

It must also be very clear that the proposal for CSR initiatives is not to replace or take over the functions of the Vadodara by the corporate sector. On the contrary, the proposal is to reinforce and strengthen the efforts of the Vadodara region and other civil society organizations, so that it could lead to a sustainable, replicable and measurable impact on the national priorities. This raises another important issue - how would beneficiaries benefit from this increased sensitivity to developmental issues? How would these talks of booming economy, healthy stock markets, increasing corporate profits translate into substantial gains for the society at large? As seen from the study the social development or CSR issues do not get adequate attention as compared to the magnitude of the problem either in the state agenda or in the corporate agenda. Very few CSR initiatives craft out programs specifically targeted to surrounding community welfare and even there, with certain notable exceptions, the

marginalized or village people are mere recipients of aid rather than as active participants in the development process.

Although the term CSR is new but the meaning and concept of CSR is known to all corporates and its officials. The concept and movement of CSR has been growing rapidly in Vadodara. Now, more and more corporations are being engaged in various CSR activities. Corporates in Vadodara region put the concept of CSR into action by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. The donations either monetary or otherwise are sporadic activities. Corporates, in the purview of CSR, brought a variation towards the upliftment of local people and their surroundings of society by contributing to education, distributing free medicines, arranging free medical checkup, empowering women and youth by various skill development programs, spreading awareness on environment by tree plantation, recycling process, etc. The concept of CSR is definitely meeting the needs of economically and socially backward people, cutting across the boundaries of all communities. But a lot can be done by the Corporates if they allocate fixed percentage of their profits for CSR initiatives. They shall adopt one to two surrounding villages, tribal belt and provide basic amenities like drinking water, education, health care facility, electricity, proper RCC roads, hygienic surroundings, drainage system etc.

But if we look at the activities that are initiated under the umbrella of CSR, they are primarily of short-time initiatives, rather than long term proactive activities. This means that corporations' interaction in the field primarily focuses on relief type, and it only has to do with physical reconstruction and recovery. Therefore, it may not have a lasting effect on the community or capacity building to its residents, resulting in short-lived impacts of the activities. Without appropriate approaches and precautions, a truly lasting impact from CSR activities will not be seen. And it certainly is not a wise option to only invest corporate capital and human resources to post and responsive relief activities. With proper precautionary involvement and activities, communities will be more resilient and better prepared for the future disaster and environmental hazards. What we believe is that the corporate sector has much more to offer for better CSR activities. Such initiatives in a long run definitely bring positive over all change

in the larger society. The upliftment of needy people and stable living conditions of our society in turn acts as a catalyst for development of Indian society at large.

## **9.2 SUGGESTIONS FOR FURTHER RESEARCH**

The present research study concentrated on the activities and its effective implementation of CSR in Public sector, Private sector and MNC sector companies in Vadodara region. The study also examined how the companies are maintaining their social responsibility towards the society's development and rendering help to the beneficiaries of surrounding villages.

- As the present research is concerned to companies which are located in and around Vadodara region and their CSR activities, a study can be conducted at Gujarat level considering a comparative study among various sectors.
- An elaborative study could be taken on more impact assessment programs of CSR activities and utilization in a progressive manner which can be more helpful for the grassroots level of society.
- Perception towards CSR in the context of sustainable development model could be a better field of research area which will be helpful to both companies and society at large.
- A research can be taken to understand CSR as a national agenda and its effective planning and implementation in a transparent manner and how the non-financial reporting could be a vital tool for their sustainability growth and development.
- A study can be done on how CSR could be more effective tool for development in local and national level and how the pressure of media, NGOs and other governmental institutions in present time reacts on the development part of corporates under the purview of CSR.

### **Field Experiences and Observations:**

- Finding the right company and concerned respondents who undertake CSR functions was a task in itself.
- Mostly companies are located in remote or isolated areas and to find out exact geographical location and mode of transportation to reach that place was difficult, expensive and time consuming.
- During data collection, I visited such a remotest places where there is least or no transportation facility.
- It was always hard to get the appointments of respondents from the company, but once I get it, the responses were positive.
- Being a non Gujarati, to communicate with beneficiaries of local villages was a tough challenge, but I could overcome it gradually through the help of village headmen and the companies' executives.
- I participated most of the CSR activities conducted by the company in various villages of Vadodara which helped me to know how the companies are planning and conducting CSR activities at village level.
- Participating in the CSR activities that helped me to know the view and effectiveness of CSR towards the community development.
- Sometimes it was difficult to get the approval of the management to study the company's CSR and had to wait for 4-5 months or more with long follow-up of emailing, letter drafting, communicating through Skype, telecommunications, meetings and even troubling my Research Guide to convince them to give permissions or to respond to my research queries.
- Interacting with various beneficiaries i.e. women, youth, children, students, elderly people, government officials etc. in villages was really helped me to understand grass root level initiatives of corporate social responsibility.
- I have visited all the villages where the CSR activities are undertaken by the companies and not only spoken to the beneficiaries but also observed whether their initiatives are implemented or not. I have seen that most of the claims on CSR by the companies are implemented.
- List of the villages visited:

Koyali, Undhera, Ranoli, Bajwa, Alwa, Kawant, Chota Udeipur, Wagodia, Kadodia, Manjalpur GIDC, Makarpura GIDC, Dashrath, Halol GIDC, Savli village, Gotri (Akshya Patra), Asoj, Gorwa, Por, Sherkhhi, Limda, Karjan, Karachiya, Samlaya, Poicha, Sankheda, Pipaliya, Rania, Chandrapura, Dabhasa, Umraya etc.