

Corporate Social Responsibility in Indian Context: A Study with Special Reference to TATA Steel Company and ACC Cement Company

Gourab Das

Assistant Professor Department of Commerce
Vidyanagar College South 24 Parganas, West Bengal

Abstract

Society has permitted to carry the industrial and commercial activities to earn profit. Therefore the basic objective of the business is to respect social values and norms of behavior. But in short term business need to earn more profit ignoring the moral values.. Corporate Social Responsibility (CSR) is a controversial issue from the perspective of business. It involves applying the concept of sustainable development to the corporate world. The paper revealed that financial contribution to the CSR contributed to the organization is impact a lot to the society at large. ACC and TATA STEEL both company are responsible for their corporation's impact on society and the natural environment beyond legal compliance. When the company has good CSR with the stakeholders, then the stakeholders will have better compensation and hence the performance of the companies will also increase. In this way company as well society will develop at large.

Keyword: CSR, Company, Profit, Women's Empowerment, Social Development.

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I. Introduction

Profit earning is the main object of any object of business organization, but it is not only sole object of business. A business organization should do the business and earn profit in ways that, it comply the expectations of the society. Business concern has certain obligations towards society. Society has permitted to carry the industrial and commercial activities to earn profit. Therefore the basic objective of the business is to respect social values and norms of behavior. But in short term business need to earn more profit ignoring the moral values.. Corporate Social Responsibility (CSR) is a controversial issue from the perspective of business. There are opposing views about businesses undertaking CSR activities. In one extreme, it is stated that business has responsibilities towards owners and providers of capital and earning adequate profit should be the foremost objective of the business. At other extreme, it is argued that business fulfils societal expectation and all stakeholders' interest should be taken into consideration in business decision making. The issue is open and no dear cut theory is available to put the controversy at rest. Nevertheless, Indian regulators took a bold step by making CSR spending mandatory by corporate Detailed Regulations are formulated under the Companies Act, 2013 regarding permissible areas of expenditure and disclosure of such expenditure. CSR is a very important and pertinent concept is present business scenario. The Corporate Social Responsibility involves applying the concept of sustainable development to the corporate world. Companies that emphasis their stakeholder must naturally look after their growth and profitability but also be aware of the economic, environmental and social impact of their activities

Relevance of CSR in Business

Whether CSR expenditure should have relevance with the business of the Company is an important question. Today, businessmen are aware that society is the biggest force which controls the entire business operations, right from acquisition of land to final produce. They now feel that they cannot operate in societal isolation. Profit still being the major determinant for business houses, it is extremely difficult to strike a balance between the conflicting needs of business in earning profit and society's need to take care of its many constituents. The success of a business depends on the growth of the society because the goods and services of business are ultimately consumed by the society. So, an organization must initiate steps which will ultimately lead to economic upliftment of the people. At the initial stages, investment for such welfare measures may appear to be a losing proposition In the long run, it will have a twin positive effect, (i) the image of the organization will be enhanced and there will be an economic resurgence of the people through adoption of such

welfare measures which will create a new set of consumers for their products (ii) to be an integral part of wealth creation process. Therefore, CSR must grow with the growth of the company

II. Review of Literature

Enock & Basavaraji (2013) showed the greater importance of CSR in Indian firm in 21st century. The study focuses the CSR practices and reporting methods of Indian company.

Bhupender & Joshiya (2012) stated their research that CSR interest expanded to both economic and social interests. This paper showed the challenges policies of CSR in India and how Indian company is dealt with these activities.

Anupam and Kiran (2012) found the implementation policy of CSR activity some big firms in India.

Batham (2013) describe the conceptual framework of sustainable development and its pillar as the economic growth, environmental protection and social equality for a country.

Bhalla (2013) had shown in her study how different company discharges their CSR in environmental protection, public health and education well being in India.

Das (2016) explained about the Corporate Social Responsibility discharged by Indian Cement Company through public health and hygiene, children education, children nutrition and rural development.

De (2016) had shown Corporate sustainability is an ongoing process and CSR strategy should deliver the expected performance through the discharge of ethical environmental and social areas and meeting shareholders expectation.

Objective of the study:

- To know the relevance CSR in business.
- To assesses the discharging CSR activities by TATA Steel and ACC Cement Company.

Research Methodology:

The paper performs an extensive research on the basis of the data and information obtained from secondary sources. It involves the use of journal, research paper, and various reports of ministry of corporate affairs and authenticate finance website and online resources etc. for the collection of secondary data needed in the analysis.

Tata Steel's Corporate Social Responsibility Policy

TATA Steel believes that the primary purpose of business is to improve the quality of life in the area in which it operates. Brand is always at the heart of corporate success whereas CSR occurs when firms spend money for a social cause after sacrificing profits. Tata Steel has adopted the Corporate Citizenship Index through Tata Business Excellence Model and the Tata Index for Sustainable Development. Tata Steel spends 5-7 per cent of its profit after tax on several CSR initiatives over its long history. Tata Steel has supported institutes of repute that have provided skilled manpower to industry Today industry faces an acute shortage of skilled manpower. Company believes that its sustained focus on Education, Employability through Skill Development and Employment in communities will further strengthen the sustainability of industry in the long term through the availability of a large and skilled talent pool of local youths. As youths find employment and livelihood opportunities, the quality of life of the communities will improve further.

• Help to Self-Help Groups

The National Horticulture Mission programme that has been taken up in collaboration with the Government of Jharkhand has already benefited more than a thousand households. More than 500 self-help groups are currently operating under various poverty alleviation programs. Out of these 500 self-help groups over 200 are engaged in activities of income generation through micro enterprises. Women empowerment programs through Self. Help Groups have been extended to 700 villages. Between 2003 and 2006, the maternal and infant survival project had a coverage area of 42 villages in Gamharia block in Seraikela Kharsawa and a replication project has taken up in Rajnagar block. For providing portable water to rural communities 2,600 tube wells have been installed for the benefit of over four Lakh people.

• Supports Social Welfare Organisations

To achieve its desired objectives in this regard, Tata Steel supports various social welfare organization which include the following

- ✚ Tata Steel Rural Development Society
- ✚ Tribal Cultural Society
- ✚ Tata Steel Foundation for Family Initiatives
- ✚ National Association for the Blind

- ✚ Shishu Niketan School of Hope
- ✚ Centre for Hearing Impaired Children
- ✚ Indian Red Cross Society, East Singhbhum

- **Community Welfare**

This variable is used to measure the activities performed by the company for welfare of the community. Some of the common activities in this field are as:

- Donations to orphanages and for disaster relief and accident victims.
- Free food distribution to the poor patients of government health care centers
- Health awareness programs and free health checkups o Campaigns against usage of drugs, alcohol and smoking
- Construction of toilets, community halls and dispensaries.
- Helping disabled persons by donating artificial limbs/calipers/wheelchairs etc.
- Providing free medical facilities to the poor people.
- Community welfare through helping NGOS.
- Blood donation camps

- **Health**

The health care needs of local communities are addressed through a range of preventive, primitive and curative services in all villages within the periphery of Tata Steel's operational locations in Jharkhand, Odisha and Chhattisgarh. As the first line of response Tata Steel provides primary healthcare to the villagers. The main focus of the Company on maternal and child health in order to ensure the long term well being of the community Periodic interventions reach specialised healthcare services such as eye camps, treatment of malaria and tuberculosis, potable water programmes, awareness programmes on sanitation and adolescent reproductive health and sensitisation of truckers and female sex workers on HIV/AIDS and its prevention. They also Maternal and Newborn Survival Initiative (MANSI) Project which is very much beneficial for rural people.

- **ACC Cements Company's Corporate Social Responsibility**

As part of CSR the company has undertaken projects in the area of Education, livelihood, Health, Water and Sanitization. These projects are largely in accordance with the Schedule VII of the Companies Act 2013.

- **Education**

ACC has established schools at most of its location that provided high quality education to children of employees and those from the host communities. In addition the company also supports schools in the vicinity. ICT based education system have been implemented at several ACC location for enhancing the quality of learning.

- **Women's Empowerment**

ACC recognise Women's empowerment as a priority. The company encourages women to form Self Help Group in the communities around its plant locations. Member of SHG's are trained in capacity building in various individual craft and other relevant aspects. A voluntary group constituted of ACC employees spouses, takes active part in this vocational training.

- **Health and Sanitization**

ACC organises health camps and mobile van health services for the community around its plants. ACC hospitals complement the local government's primary health care centres and community health care centres. Anganwadi centres have been set up at most plant location. In this way ACC reaches out to mother and children with immunization and post natal care and growth monitoring programme.

- **Livelihoods**

ACC promotes skill development among the rural youth. Industry needs skilled persons while a large part of the rural youth is unskilled and unemployed out CSR programme connect the youth to high standard skills training institution providing partial financial support wherever necessary as well as extending help in enrolment and in obtaining placement.

- **HIV/AIDS**

ACC plays a significant role in the nationwide effort to eradicate HIV. In close consultation with the confederation of Indian Industry, the company stepped forward to support government in battling this important public health issue by adopting a work place policy for HIV that protect fundamental human rights of employee who unfortunately affected by HIV, while also ensuring that these affected persons to get proper care and treatment.

III. Conclusion:

CSR is becoming an important principle of top management and of entrepreneurs. There is a growing awareness that business needs to manage its relationship with the wider society. The paper revealed that financial contribution to the CSR contributed to the organization is impact a lot to the society at large. ACC and TATA STEEL both company are responsible for their corporation's impact on society and the natural environment beyond legal compliance. The concept of CSR has the prospective to bring a revolution in the development of the economy. Across the globe the concept of CSR has been accepted as a factor for success and survival of business along with fulfilling social objectives. Company should also need to have good association with the stakeholders. When the company has good CSR with the stakeholders, then the stakeholders will have better compensation and hence the performance of the companies will also increase. In this way company as well society will develop at large.

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