

“Corporate Social Responsibilities of Mahindra & Mahindra”

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ABSTRACT: *Corporate Social Responsibility is a set of policies, practices & programmes that are integrated into business operations & decision making processes in the organizations. Organizations include Corporate Social Responsibility for current & past actions as well as for future impacts. CSR is regarded as a way by which the companies are integrating their social, environmental & economic concerns in their culture, values & operations to improve the well being of the society. With the sincere efforts of the companies, they are attaining the success in achieving their corporate goals in terms of social development & to enhance their corporate image & goodwill.*

Nowadays various companies are adopting CSR practices to achieve corporate sustainability. The purpose of this research paper is to study the various CSR practices of Mahindra & Mahindra Company.

Key Words: *Corporate Social Responsibility, corporate image, corporate sustainability*

I. INTRODUCTION:

Corporate Social Responsibility is a tool in the modern world for enhancing the confidence of corporate sector with its related external environmental society. In the recent years the stakeholders are in a confused state of mind due to lapse of confidence gaining measures, some serious lapses, selfish gains of corporate & money laundering, bribing, Mis-utilization of investor's money has all lead to confused situations. Major incidents that happened in 2007-2008 such as AIG (American Insurance Group), Lehman Brothers in the investment & banking sectors followed by Satyam computers Company owner Raju Ram lingam mis-utilising the investors money which was laundered for different selfish gains & also Government's inability to monitor Corporate Social Responsibility activities.

Well-known Rajat Gupta's favourism to Raja Ratnam leaking Federation's future plans & Vikram Pandit's removal from Citi Group's CEO even after good achievement track record have all messed up the future corporate road which may again lead to debacle of Corporate Social Responsibility.

Corporate social responsibility (CSR) also called corporate citizenship and corporate social opportunity is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as the environment. Organizations voluntarily taking further steps to improve the quality of life for their employees and their families as well as for the local community and society at large. India has become one of fast growing economies of the world and emerging market from international perspective. At the stage when India is set to acquire a global position, it is essential to measure whether the economic growth is due to successful business operations? Organizations must realize that government alone cannot be able to get success in its endeavor to uplift the society. The present societal marketing concept of companies is constantly under the evolution and has given rise to a new concept-Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands or corporate image. CSR refers to the corporation's obligation to all the stakeholders and a way for a company to do well by doing something different from orthodox practices like sales promotion, corporate philanthropy, corporate sponsorship, Public Relations.

The importance of CSR in India comes to light when one considers CSR as a concept that covers a range of issues under the fabric of sustainable development. This is a crucial terminology for developing nations in the world today. Protection of the environment and a country's natural resources are a key element of this concept. Additionally, there is this equally important need to ensure that society does not suffer from disparities of income and provision of basic services like health care, education and literacy .

Today many companies are being held responsible for the social consequences of their actions. Now a day's various companies are adopting Corporate Social Responsibility practices because of various benefits like,

1. Securing strong relationship with stakeholders
2. To increase attractiveness of investors
3. Create a better & stimulating work environment
4. To improve organization effectiveness
5. Create & maintain high reputation

6. Improve management efficiency
7. Protects from boycott action.

II. DEFINITIONS OF CSR:

Social Responsibility of business refers to what business does over and above the statutory requirement for the benefit of the society. The word "Responsibility" emphasizes that the business has some moral obligations towards the society.

- **The World Business Council for Sustainable Development (WBCSD) defines CSR as,**
"The continuous commitment by the business organization to behave ethically and contribute to the 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."
- **Business for Social Responsibility America's largest organization devoted to CSR,**
"Business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities, and the environment around the world."

III. BACKGROUND OF THE STUDY:

The main focus of every business organization is how to create economic value in order to achieve profitable business activity. By doing so companies fulfill the financial satisfaction of their shareholders and the profit is seen as compensation for the shareholders' risk to invest their capital in business enterprise. In recent decades, an increasing number of companies across the world have voluntarily issued their corporate social responsibility (CSR) reports. CSR reporting has become more important along the increase of interest in CSR which calls for companies to become more responsible for their social, environmental, and economic impacts. It is acknowledged that social problems that companies create, such as pollution, resource depletion, violations of workers' rights, and excessive power of large corporations, have significantly influenced society.

Harish Kumar (2012) stated that Corporate Social Responsibility means putting something back into the society. CSR can be viewed as responsibility on the part of the business & industrial organizations to be accountable to their stakeholders including society. Business organizations have an active interplay with the society. They are independent on each other. If we create wealth from society, we will have to plough it back for the welfare of the society. It is general principle requires to be followed. It is advocated that the companies should make CSR not only their strategy but also a way of life. In his research paper, the researcher has given the expert's opinion that is Mr. K.A Chaukar who is Managing Director of Tata Industries Ltd. Quotes, "CSR today is building a perspective on responsible behavior in the companies to innovative ways in which businesses reach to the lower segment of markets & include the poor of the poorest in the main stream of development." Researcher has given the opinion of Prime Minister Dr. Manmohan Singh, "Corporate Social Responsibility must not be defined by tax planning strategies alone. Rather than it should be defined within the framework of a corporate philosophy, which factors the needs of the community & the regions in which a corporate entity functions."

Lastly he concluded that the Government & legal pressures through rule & regulations cannot motivate business organizations to feel responsible towards society rather than the voluntary measures evolving out of intrinsic motivation & sense of social service can inspire them to be sharing their profits with society in the name of welfare. According to the researcher the following lines of poetry can better represent the CSR.

"Jo Baithen Hai Andhere Main Tavazzo Unpe Dijiye, Ujale Apne Diyon Se Gharon Main Unke Kijiye"

Pulidindi Venugopal (May, 2012) focused the importance of corporate social responsibility and the way it is being addressed in the current market driven Economy. She has given the example of STRIVE which means Skills, Training and research in Vocational Education Services Pvt. Ltd., which focused on providing Skills and training in Vocational Education to youth from under served and unreached segments of population both geographically and economically. STRIVE aims to bridge the gap between available human resources to the needs of corporate India by embarking on customized training interventions. According to her the rural India is fascinating as ever and has tremendous growth potential. But the Flowers needs to bloom to their full potential then their fragrance can be smelt.

As **Dr. Manmohan Singh** said, the weaknesses are the PROCESS BLOCKS in the supply and if removed they become our great strength and inspiration.

In **June 2008**, a survey was carried out by **TNS India** (a research organization) and the Times Foundation with the aim of providing an understanding of the role of corporations in CSR. The findings revealed that over **90%** of all major Indian organizations surveyed were involved in CSR initiatives. In fact, the private sector was more involved in CSR activities than the public and government sectors. The leading areas that corporations were involved in were livelihood promotion, education, health, environment, and women's empowerment. Most of CSR ventures were done as internal projects while a small proportion were as direct financial support to voluntary organizations or communities.

OBJECTIVES:

1. To know the concept of CSR & the benefits of CSR.
2. To study the CSR status in India.
3. To understand the innovative activities under CSR by Mahindra & Mahindra.

IV. RESEARCH METHODOLOGY:

To analyze the extent of Corporate Social Responsibility practices of Mahindra & Mahindra organizations, the primary data is collected from HR Manager of the companies & secondary data is collected from the annual reports of the companies, company website, journals, magazines, books, etc.

Limitations:

- The study does not consider each and every plant.
- The primary data is collected from HR Manager & because of time constraint researcher couldn't go in detail.
- The data collected is only from the HR manager of the company & employees, beneficiaries are not interviewed.

Company Profile:

Mahindra: The Indian Multinational the US\$ 7.1 billion Mahindra Group is among the top 10 industrial houses in India. The Mahindra Group originated out of J.C. and K.C. Mahindra's desire to open a franchise to produce the celebrated Willy's Jeep. Mahindra & Mahindra is the only Indian company among the top three tractor manufacturers in the world. The company was incorporated as Mahindra & Trade • Systems and Automotive Technologies • Engineering Services • Automotive • Farm Equipment.. Over the next 50 years the company gradually diversified its operations, engaging in numerous joint ventures and building expertise across a number of sectors. With over 62 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution which are the key to its evolution as a customer-centric organization. The Group employs over 1,00,000 people and has several state-of-the art facilities in India and overseas, with operations on every continent except Antarctica. Company enjoys a leadership position in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Mahindra Group today is an embodiment of global excellence and enjoys a strong corporate brand image. Mahindra is the only Indian company among the top tractor brands in the world. It is today a full-range player with a presence in almost every segment of the automobile industry, from two-wheelers to CVs, UVs, SUVs and sedan. Mahindra recently acquired a majority stake in REVA Electric Car Co Ltd. (Now called Mahindra REVA), strengthening its position in the Electric Vehicles domain. The Mahindra Group expanded its IT portfolio when Tech Mahindra acquired the leading global business and information technology services company, Satyam Computer Services. The company is now known as Mahindra Satyam. Mahindra is also one of the few Indian companies to receive an A+ GRI checked rating for its first Sustainability Report for the year 2007-08 and has also received the A+ GRI rating for the year 2008- 09. The Mahindra Group defines Corporate Social Responsibility as making socially responsible products, engaging in socially responsible employee relations and making a commitment to the community around it. At the Mahindra Group, Corporate Social Responsibility is not just a duty; it's a way of life.

Equipment Sector has recently won the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company

worldwide to win the Deming Prize. Mahindra is the market leader in multi-utility vehicles in India. It made a milestone entry into the passenger car segment with Logan.

The Group has a leading presence in key sectors of the Indian economy, including – & Infrastructure Development “The beauty we see in the nature will not be here forever. What matters most is what you leave behind and that is what Mahindra • Information Technology • Financial Services • Logistics & Mahindra (M&M) wants to do. We are not only leading at the CNG initiative. We have already demonstrated this with our electric vehicles as well.” Vivek Nayar, VP (Marketing) of M&M. We will discuss some of the initiatives taken up by Mahindra as a part of their Corporate Social Responsibility. These initiatives are spread across a variety of sectors as Mahindra group deals with them. Project work also tries to identify and analyze business.

V. CSR ACTIVITIES OF MAHINDRA & MAHINDRA:

The social initiatives of the group have been very well streamlined where each group company donates 0.5% of their PAT to the K C Mahindra Education Trust and adopts projects under the Trust. The remaining 0.5% is used by the company to run community development programs on their own.

1. K. C. Mahindra Education Trust:

Established by the late Mr. K. C. Mahindra in 1953, the K. C. Mahindra Education Trust aims to 'Transform the lives of people in India through education, by providing financial assistance and recognition to them, across age groups and across income strata'. It was registered as a Public Charitable Trust under the Bombay Public Trusts Act, 1950. The K.C. Mahindra Education Trust has undertaken a number of education initiatives to make a difference to the lives of deserving students. The Trust promotes education mainly by way of scholarships. It has provided more than Rs. 13.80 crores (approximately US \$ 3.0 million) in the form of grants, scholarships and loans. Some of these scholarships were instituted as far back as the 1950's, while others were founded recently. These are funded through an investment portfolio, the main donors of which are the Mahindra Group of companies.

2. Mahindra Academy:

As part of its Corporate Social Responsibility activities, the Mahindra Group has established schools near its factories primarily for children of its employees. At present, the Group has three schools that impart high standards of education - Mahindra Academy at Malad in Mumbai, Mahindra Academy in Zaheerabad and a school in Khopoli. The establishment of these schools has not just benefited their employees but also the community around these schools. Teachers at these schools are qualified and undergo regular training as well as attend relevant workshops. Their teaching methodologies are constantly evaluated and modified when necessary.

3. Disaster Relief:

The Mahindra Foundation has been set up with a specific objective: to provide medical relief to the poor and needy sections of society. The foundation has helped patients suffering from cancer, heart ailments as well as burn victims. It has also been very active during national calamities and disasters and has helped contribute and mobilize resources. The foundation also extends its support to academia and other professionals and sportsmen by helping them attend workshops and conferences overseas. The Mahindra Group has always been very responsive to any major disaster in India. Whether it's been the tsunami or the Gujarat earthquake, the Mahindra family has got together and always provided support either by way of financial help or by way of sending vehicles, supplying material or manpower.

4. The Group has Transformed 3 municipal Gardens:

The Shivaji Garden (near Gateway of India) is admired for its beautiful architecture and flourishing plants and flowers. Completely renovated by the Mahindra Group at a cost of Rs. 6 Lakhs, it now has pathways for pedestrians as well as new stretches of lawns and flowers. An area formerly frequented by anti-social elements has been merged with the garden, to prevent further misuse. Every effort has been taken to keep the garden in an immaculate condition and visiting hours are in place, facilitating maintenance work. The Traffic Island Garden (opposite Regal Cinema) has been completely renovated by the Mahindra Group at the cost of Rs. 1 Lakh. New lamp posts and a variety of plants were put into place and the fountain was restored to its former glory. The garden provides visual relief in this crowded and traffic congested circle. The third garden is located at the junction of Madame Cama Road, to the south of Oval Maidan. This is a brand new garden, developed by the group from scratch, at a cost of Rs. 1.5 Lakhs.

5. Reducing CO2 Emissions:



The Bijlee

The Bijlee is an innovative, home grown, first-of-its-kind electric three wheeler, India's tried and tested battery operated vehicle. The Bijlee is an innovative "Kind to Man" technology initiative from Mahindra & Mahindra's **alternate fuel programme**. It is a zero emission electrically powered vehicle that runs on a 72 volts DC motor. The Bijlee's 12 batteries allow the customer to do 80 km at a speed of 35 km/hour. With a replacement battery on board the vehicle can easily give 120 kms. The electric vehicle has spacious interiors, with ample space for an entire family. It has no engine, gearbox radiator and no silencer, which makes it a virtually noise free vehicle. Bijlee gives quality output without choking the environment and is favoured by governments and institutions, which lay focus on conserving the environment. 10 Mahindra Bijlees were handed over to customers in 2006 by the Chief Minister of Pondicherry.

6. Nanhi Kali:

Nanhi Kali is a program that supports education for the girl child and is being run by the K C Mahindra Education Trust (KCMET). The project currently (2007) supports the education of over 32,000 underprivileged girl children.

7. Environmental Initiatives:

The environmental Performance enhancement is achieved through setting and reviewing EMS Objectives and Targets, management programmes at plant level and at relevant functional levels. These are in line with the Environmental Policy approved by the sector president.

Some of the key Environmental initiatives and areas of achievement in Nashik site are as follows.

❖ **Air Pollution:**

- Exhaust provided for all stacks in paint shops.
- Incinerators for ensuring complete combustion of flue gases
- Scrubber for removing Suspended Particulate Matter
- Pollution levels monitored every six months using external professional Lab.
- Ambient Air, Ambient noise
- Combustion Stacks
- Process Stacks
- Work Place Air, noise
- Use of Ear Muffs, Ear plugs ensured in all high noise areas.

❖ **Water Pollution:**

- State of the Art combined STP (Sewage Treatment Plant) and ETP (Effluent Treatment Plant) installed in Plant
- Operation and Maintenance of ETP/STP closely monitored.
- Effluent pollution parameters monitored.

8. Mahindra Pride schools:

It has decided to start two schools called Mahindra Pride schools for the SC/ST youth. From the first Pride school, over 2000 students have been placed with a starting salary of Rs. 9000.

9. Hariyali:

It is a mass tree plantation & target was to plant 1 million trees.

10. ESOP:

It enables Mahindra workforce to collectively donate thousands of human hours for various social projects, in the three focused areas of Education, Health and Environment.

11. Aanganwadi: Centre to serve educational & recreational needs of local children.

12. Schools adopted by M&M:

With an aim to improve the learning level of children in government schools, the Mahindra Group has entrusted K. C. Mahindra Education Trust to support 6 government schools in the city of Mumbai, which have drop out rates as high as 15% by Std V and 22% by Std VII. A survey conducted in 60 schools in Mumbai revealed that 60% of students studying in Std III would not read even simple paragraphs, 40% in Std IV could not write and 32% were not able to do simple arithmetic. K. C. Mahindra Education Trust has identified Naandi Foundation as our implementation partner to help us support these schools through their Ensuring Children Learn programme. The schools identified are needy government schools and 5 of them located close to the factories and offices were selected to allow the employees an opportunity to easily volunteer at these field sites.

No.	School Name	No.	School Name
1	Akurli Schools Marathi 1	6	Dalvi Plot School Marathi 1
2	Akurli Schools Marathi 2		
3	Akurli Schools Marathi Hindi medium (Kandivili)		
4	Bajaj Road Marathi	7	G K Kadam Marg School, Hindi Medium
5	Bajaj Road Marathi Kandivali		

13. Mahindra Search for Talent Scholarship:

This was initiated in 1983. This has been set up in 35 educational institutions across the country with an objective to enthuse and reward excellence in academics. This scholarship is awarded to students obtaining the highest aggregate marks, based on the year-end examination. Further a student who receives the Mahindra Search for Talent scholarship more than once, is awarded the 'Honour scholarship' which includes a cash prize of Rs. 5000/- and a citation from the Trust.

14. Mahindra Pride Schools:

As part of the 60th year celebrations, Mahindra & Mahindra through its K C Mahindra Education Trust set up 2 Mahindra Pride Schools, with the prime objective of empowering youth from socially disadvantaged sections of society by extending livelihood training, to enable them to gain employment based on their skills. The schools offer equal opportunity for men and women, with a focus on rural youth. These schools are non-residential and offer various alternative livelihood options.

To effectively run the Mahindra Pride schools, KCMET decided to partner with Naandi Foundation, a not for profit trust with a proven track record in the field of education and livelihood creation.

15. Health:

- Blood Donation – Totally 14 camps conducted with 797 donors
- Eye Camps – 7 Eye Camps conducted in which one was on Eye Donation Awareness (18 donors) and others focused on eye testing and about 64 cataract operations were recommended.
- Surgical Camp in association with Rotary Club for about 300 tribals in which 175 surgeries took place
- Health Check Up –A unique initiative through which 115 Railway Porters at CST Mumbai were given health cards after check up, similarly a camp benefited 170 policemen in Mumbai.
- HIV/ Aids Awareness – 2 Camps were conducted in both urban & rural areas.
- Toilet Construction for school children
- Typhoid Vaccinations for 200 children
- Pulse Polio Awareness Drive

- Dental Check up Camp

VI. COMMITMENT FOR CSR INITIATIVES:

Commitment	2011-13 (3 years)	2013-14 (5 years)
Reducing energy consumption	2%	5%
Reducing resource consumption	2%	5%
Reducing GHG/C02 emissions	2%	5%
Green IT/ Green Procurement	Draft, release and implement	Review and update
Earning green certifications	10	15
Spreading sustainability awareness to stakeholders	50%	100%
Increasing employee engagement with Esops	10%	20%

(<http://www.mahindra.com/How-We-Help/Environment/Sustainability-Reports>)

VII. CONCLUSIONS:

With businesses focusing on generating profits, CSR was not a popular concern among companies up until recently. With increased media attention, pressure from non-governmental organizations, and rapid global information sharing, there is a surging demand to involve into CSR at various level like conducting sustainable business practices and doing social welfare activities.

Mahindra & Mahindra group plays major role, in fulfilling its duties towards the societal orientation segment. Its Kisan-Mitra Initiative helps farmers generating wealth by getting education on latest argi-trends and this way company also generates good revenues from the wealthier and more loyal customers, and also increase their customer base.

In Conclusion, we can say that Social responsibility can go hand in hand with great business profits and therefore, can generate win-win situations.

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