

CORPORATE SOCIAL RESPONSIBILITY A PHILANTHROPY OR A STRATEGY – A STUDY OF SELECT CEMENT MANUFACTURING COMPANIES IN INDIA

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Abstract: Corporate Social Responsibility, CSR is something which organization adopts or rather say carry out to show their presence not in the corporate sector but also in the society where they are functioning, many consider CSR is very necessary for organizations today to show their presence in the society and carry out ethical activities that benefit all their stakeholders. This paper will highlight the concept of CSR along with its impact on the functioning of the organization as a whole and briefly explain the CSR activities carried out by select cement factories in India. This paper shall also throw a light on CSR as a philanthropic activity or a Strategic decision

Keywords: Corporate Social Responsibility, Ethical Business, Stakeholders, Strategy.

Introduction: Corporate Social Responsibility has become something very essential for every organization today; we see all the firms carry out CSR activities at their own level. Every corporation has their own policies concerning CSR and almost all companies produce a CSR report annually. Now when we know that CSR is adopted by almost every organization, now let us understand what CSR actually is, many thinkers have defined CSR in their own terms, and before defining CSR let us first go back to the time when the concept of CSR actually originated, it was Howard R. Bowen, president of Grinnell college in 1955-1964, it was in his book named "social responsibilities of a business" where the foundation of CSR was Laid. Bowen stated, "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society." Since then there was a frequent use of the terminology. Barnard (1938) defines CSR as "analyses economic, legal, moral, social and physical aspects of the environment. Managers regularly encounter demands

From multiple teams to devote resources to corporate social responsibility (CSR). These pressures emerge from customers, employees, suppliers, community teams, governments, and a few stockholders, especially institutional shareholders. With so many numerous conflicting goals and objectives, the definition of CSR isn't always clear. All the definitions are pertinent and every definition has their own perspective to explain. So basically CSR is all about the obligation that an organization owes to its society for the betterment of people and environment as a whole. "Every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director".(companies act 2013) the act has also laid down various rules that a company shall abide.

Research has recognized that the activities carried out by the organization have a major impact on the environment. Many organizations today have framed their own way of carrying out CSR activities. Some

adopt villages situated nearby their firm and make sure that those villages are sufficiently resourced and all the requirements of people are adequately reached, some organizations announce scholarships for young minds to support their educational needs and some may give training to women at a small scale and create young entrepreneurs. All this constitute to be philanthropy but on the contrary, many writers are of the view that a firm should not be engaged in any social activity and shall concentrate only on utilizing the resources and maximizing the profits (Crowther & Aras 2008).

“there is one and only and only one social responsibility of business- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”(Milton Friedman 1970). It becomes very interesting to know whether a company actually carries out the real CSR or it is just to portray a good name in the society so as to keep their businesses into working.

Carroll's CSR Pyramid: Carroll's definition of CSR is broadly divided into 4 dimensions which encompass Economic, Legal, Ethical, and Discretionary (philanthropic). For the basic survival of any company it has to be economically strong, only then it can help society in the long run. Organizations should be able to sustain themselves and being profitable is the only way for doing this. (Archie Carroll 2016). In today's fierce competition if companies are not economically strong they tend to lose their survival and any other activities to them seem to be a just doubtful consideration. Every business has to function under the purview of the legal framework, there are certain minimum requirements that a company should oblige too, businesses comply with this laws and regulations to function their businesses. Society not only expects a business to function under the framework of law but also function ethically, businesses should be ethically responsible of the activities that they are carrying out and which shall affect the society by and large. There are certain worldwide values like rights, justice, utilitarianism that direct company's decisions and practices. When a company functions in society, it is bound to pay back to society, they are obliged to work for society and its betterment and we know this activity as philanthropy, the last dimension in Carroll's CSR pyramid. Philanthropy simply means working for mankind and clearly, such activities are voluntary and entirely depends on the organization whether to do it or not do it. It is the mere desire of a company to participate in social activities. Below is the pictorial presentation of Carroll's CSR pyramid



Source: Carroll's Pyramid of CSR 1992

Corporate Social Responsibility Activities of Select Cement Manufacturing Companies: There has always been a positive relationship between CSR and organization's reputation. The activities carried out by companies for the betterment of society has a pivotal impact on the organization and its various stakeholders. Now, when we know the importance of CSR activities, let us now briefly understand the various CSR activities carried out by select cement companies in India. Cement industries play a major role in economic development of a country and India is a country which as ample of resources to manufacture cement, the expansion of this industry is phenomenal in both private and public sector. India has progressed from being the world's eighth largest cement producer in 1979-80 to being the second largest producer at the present. However, this immense growth in cement production has exacted a heavy worth within the sort of huge energy utilization. Among the energy-intensive industries in India, cement business happens to be extremely energy-intensive with the second highest share in fuel consumption (15.60%), when Iron and Steel (18.10%), largely within the sort of coal utilization. Its expansion couldn't be achieved if there would be no increase in energy input, particularly within the form of coal combustion. Cement manufacturing involves a lengthy process which harms environmental resources majorly. Leaving its traces on the healthy survival of nature. Hence, this industry is majorly seen in carrying out CSR activities so that they give back what they are taking from nature and society as a whole. Further, we will be discussing the CSR activities carried out by Cement manufacturing giants: ACC, Ultratech Cement

ACC: (formerly the associated cement companies), has set a benchmark in this industry. ACC is widely known for its planet-friendly production systems, they are committed to working sustainably and work for the welfare of people. ACC is India's foremost manufacturer of cement and prepares combine concrete with a countrywide network of factories and selling offices. Established in 1936, ACC has been a pioneer and fashion arbiter in cement and concrete technology. ACC's brand is synonymous with cement and enjoys a high level of equity within the Indian market. It's the sole cement company that figures within the list of Consumer Super Brands of India (Bansal and Kumar 2015). Among the primary companies in India to incorporate the commitment to surroundings protection as a company objective, ACC has won many prizes and accolades for surroundings friendly measures taken at its plants and mines. The company has conjointly been felicitated for its acts of excellent corporate citizenship. ACC acclaims to be a responsible corporate citizen.

ULTRATECH CEMENT: Aditya Birla Group owns this Cement, The Group has been ranked number 4 in the global 'Top Companies for Leaders' survey and ranked number 1 in the Asia Pacific for 2011. Even before the CSR was actually into corporate, this corporate giant had already begun their philanthropic activities. "To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better sustainable way of life for the weaker sections of society and raise the country's human development index (Mrs. Rajashree Birla), with this vision of building a sustainable place to live Ultratech cement have a range of CSR activities.

Broadly we can categories the activities of CSR of the above companies under:

1. Education
2. Health and Sanitation
3. Livelihoods
4. Social Cause

Education: ACC has set up various schools at most of the locations which are taken care by them, basically they are schools providing education to the children of their employees, in addition, they have schools in and around the locality where they are working in, the schools go hand in hand with the technology with classrooms equipped with smart boards, interactive KIOSKS.

On the other hand **Ultratech** give both formal and informal education along with adult education, they have around 56 schools situated all around India and some 36,000 children from interiors are given scholarships and around 28,000 children are being taught communicative English to boost their confidence, they also have various scholarships for meritorious girls and technical education for boys making them capable to acquire jobs. The project named Gyanarjan coaches some 1,000 underprivileged

students for Board level and CET competitive examinations and also plant teams mentor around 2,000 students appearing for Board exams. They also give tuitions to students for the Government run Navodaya schools entrance tests

Health and Sanitation: various health camps are organized by **ACC** and through mobile vans, they create awareness women and children about health and hygiene, there are a number of Anganwadi set by ACC which provides vaccination for children and women. They have also built community toilets and also toilets for individual houses.

Millions of patients are treated every year in the health camps organized by **Ultratech**, one among the various achievement that needs to be highlighted is that more than 2000 children have undergone cleft lip surgery. They also run immunization camps that reach thousands of children every year. They have various AIDS awareness camps and also they have TB control camps were they treat various patients.

Livelihood: ACC gives training to the rural youth, they give them skill training which will help them to earn a better livelihood. The CSR programs conducted by them expose youth to high-end skills and also proved a partial financial support to if necessary. The training given by them have helped youth in obtaining placements.

Ultratech has sustainable livelihood projects giving vocational training to 95,000 people. Through the Aditya Birla foundation, they have set up 5 large Multi Skill Multi-Sector Training Centers in Raipur, Udaipur, Vadodara, Bhopal, and Nagpur, creating an annual capacity of approx. 2,000 urban poor (18 – 30 years).

Social Cause: The **Ultratech** group works behind the scenes with the government to build and develop societies; they have transformed poverty to meeting the necessities of life, from being dependant on being free and from backwardness to development and they have successfully implemented the projects all across the villages, they have also built community halls, schools, roads, playgrounds, solar lights, and have also installed hand pumps. More than a 1000 biogas plants were installed. Above all, they have built 500 houses completely and have supported the building of 3800 houses.

ACC plays a very vital role in working towards eradicating HIV. The company also set up two Anti-Retroviral Treatment Centres for HIV/AIDS treatment – one outside ACC's Wadi plant in Karnataka and the second at Vellore, Tamil Nadu in partnership with the reputed Christian Medical College. The company also works keenly towards women empowerment and they give women empowerment the top priority among all the CSR activities. They help and motivate women around their plant locality to form Self-help groups (SHG) and the women are given training on various skills like marketing, account management, the relevance of teamwork etc. spouses of the employees also take part in the vocational training given to such women.

Corporate Social Responsibility A Strategy: Corporate Social Responsibility is seen as a strategic event for a company's overall development then the concentration is on developing and integrating CSR objectives into company strategy and it becomes a driver of its development. So far CSR approach adopted by the companies is apprehensive; it is seen that most of the companies have adopted CSR approach into their overall business strategy. Therefore, they have accomplished in achieving the objectives of both business and social development. Their main motto to work is not solely relief, welfare and service delivery, but also a sustainable development which has long-term benefits.

Social Responsibility can't be simply a response to problems once they arise. Given that the organization includes social responsibility since its inception in the business strategy. Social responsibility, as a concept, is integrated everyday activities. Preferably, to get best results the CSR should be aligned with the company's specific company objectives and core competencies. Companies, integrating the CSR into strategy, maximize the value of company responsibility commitments. The identification of important stakeholders, the definition of objectives so as to satisfy them (Gazzola 2014)

To integrate CSR into the company strategy is a chance Offered by the event of company strategy aligned with business goals, deeply stock-still within the principles and values of company's social responsibilities A careful choice of company's social responsibility ways may ensure business property by delivering advantages to the organization by improving company image and name, increasing operational potency, sales, and client loyalty, gaining competitive advantage, providing advantages to shareholders, increasing monetary performance. To the staff by increased motivation, enhancements in team unity reduced internal conflicts, elimination of unethical practices, a lot of developed social solidarity. To society by promoting social inclusion, rising cooperation with non-governmental organizations, state establishments, customers, suppliers, competitors and advantages to the environment by reducing the impact of economic activity on air, water, soil, unrenovable natural resources, reducing energy consumption, promoting recycling and reuse. (Cristinia 2012).

So basically it becomes a win-win situation for organizations if they strategically choose their CSR activities. The work is concentrated on developing and desegregating CSR objectives into company strategy and it becomes a driver of its development. To integrate CSR into the company strategy is a chance offered by the event of company strategy aligned with business goals, deeply unmoving within the principles and values of company social responsibilities. (Gazzola 2014) Companies which integrate the CSR into strategy, maximize the value of corporate responsibility commitments. The recognition of significant stakeholders, the definition of objectives in order to satisfy them, and the employment of a reporting tool are crucial steps to integrate the CSR into strategy.

CSR development implies a deep comprehension and integration of the ethical and cultural evolution that CSR demands. This assumption stems from the concept that organizational culture shapes the context among that organization's style and operationalize their strategy and politicizes and exerts considerable influence on the organization's CSR development (Berger et al. 2007). Specialized literature tried to spotlight in multiple ways that what is the importance of corporate social responsibility in business strategy. Some authors even contemplate that corporate social responsibility initiatives should be integrated and internalized by a corporation, and therefore should be placed within the heart of the organization, to get edges such as improved corporate name, the inflated confidence of shoppers, inflated worker motivation and market share. Businesses ought to remember that the inclusion of social responsibility objectives within the strategy of the organization should be triggered not solely by the will to make a positive image by operational efficiency or the prospect of competitive advantage but as a condition of building property businesses (Cristina 2012).

Conclusion: Therefore, CSR makes sure that companies know their role towards society and carry the business activities keeping in mind the sustainable development of Society, Organization and Environment as a whole. Carrying out CSR activities solely with the purpose of serving the society rarely happens in today's scenario. Almost all the companies try to strategically align their CSR activities with core organizational activities and make sure that there is a win-win situation for both organization and society.

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