

Analyzing Corporate Social Responsibility (CSR) Activities Of Some Polluting Industries in India



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Abstract

In this era of globalization , where nation have come close, entrepreneurs are making innovative products to create demand of its product as well as to fulfill the demand of its customers, it even provides employment to the people, thus, leading to an increase in standard of living. The ozone layer is depleting day by day , so organization are taking initiatives to protect the environment by reducing the emission of harmful gase , conservation of energy etc. Resources are being utilized efficiently and effectively. Wind, solar energy is being used leading to conservation of fossil fuels. The employees are treated well, they are given a hygienic workplace along with safety measures leading to sustainability The objective is to know the CSR and sustainability measures undertaken by the industries to protect the environment, people and to attain profit. Secondary data is used. Content analysis of the various sustainability reports, annual reports of some of the polluting industries. Of each of these industries, top 5 companies (according to market capitalization in BSE/NSE) have been surveyed. After reading all the reports, one can know about the unique technology being employed, peculiarities of each of these industries in attaining sustainability.

Keywords: globalization, entrepreneurs, resources, sustainability, technology.

Introduction

In this era of competition entrepreneurs are taking a lot of initiative to earn profit. They innovate products so that they stand differently in the eyes of their customers as well as gain new prospects. CSR is one of the initiatives being undertaken to have a competitive edge. In past, CSR was just a philanthropy activity for the society but with times it has evolved as corporate sustainability responsibility. Now, with times it has integrated society with planet and profit. Entrepreneurs now make products that are eco friendly as well as take into consideration stakeholder engagement. If the stakeholders are satisfied then the demand of the product increases; capital can be raised easily, cost of production declines.

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Industrialization occurs leading to employment generation. Per capita income increases thereby leading to an increase in standard of living. GDP and NY of an economy increases. CSR also includes healthy working condition, fair wages, good superior subordinate relationship etc. Employees working in these organizations are satisfied and motivated to achieve their goals, ultimately leading the organization to attain its goals. It thus, helps in building effective supply chain management and thus increases the goodwill of the organization.

An entrepreneur is a person who initiates, innovates, organizes and develops a new business taking into consideration all the risk with the ultimate aim of earning profit by utilizing the resources effectively and efficiently.

Objectives:

- To know about Indian CSR activities and its uniqueness.
- What are the various measures undertaken by the industries to attain sustainability.
- How is CSR a tool for entrepreneurship?

Evolution of CSR

CSR has evolved since post independence period when Mahatma gave the concept of Trusteeship and Sarvodaya. According to the Indian trust Act, where big industrialists like TATA, BIRLA'S were inspired to take part in the construction for dharamshalas and place of worship. Sarvodaya means inclusive growth of the society i.e. to alleviate poverty, quality of life to people. After the World War II when everything got devastated, Bowen (1953) said that the countries could only survive when big industrialist spend money in CSR activities. In 1971, Jhonson said that the companies have some extra fiduciary responsibilities for social upliftment of the society and it should be a part of company's objectives. Milton Freidman gave the stockholder theory. Stockholders are the persons who invest their money in business. So, the organization looks only after the interest of his shareholders and it is the responsible of the government to look after the rest. Caroll (1979-1991) gave us the CSR approach. He talked about the ethical responsibility of the business. He stated a four layer pyramid in which the bottom layer is economic which deals with the firms primary motive of earning profit . maximizing earning per share, high level of operational efficiency etc. above it is the legal concept which tells about that all organizations should work according to the rules and regulation laid down by the government. Then is ethical-All the organizations should be ethical towards their stakeholders. And the last is philanthropy i.e. charity. After the stockholder theory Milton freeman gave the concept of stakeholder theory. Stakeholders include customers, shareholders, government, employees, and suppliers. All the organization should work to satisfy the stakeholders. Now, in 2002, three waves of moon came into existence which said that the product being manufactured should be produced by a socially responsible process. At the same time community should be involved and there should be good employee relations. Moon said that employees and internal stakeholders are one of the basic elements of CSR. Then environmental CSR was laid down which said that now environmental concern is an integral integral part of company's CSR policy. In (1987-1996) ,the Brundtland commission presented a new concept: Sustainable Development. In its report (in 1987) it defines sustainable developments as "Development which meets the need of current generation without compromising the ability of the future generation to meet their own needs" In 1995 John Elkington defined triple bottom line in his books "Cannibals with folks". He said the sustainability is the integration between people profit and planet. It means that an organization should produce goods which do not degrade the environment as well as

there is good relationship with stakeholders and earns a profit. People are one of the most important elements in running any business. Without people any organization cannot perform so they should hire the right people, give them good working condition, fair salaries, tolerable working hours good relations among peers, superior subordinate relationship etc so that they are satisfied, motivated to work, have a shared sense of belongingness which ultimately results in achieving huge profit .The product sold by the company is consumed by the people living in the society. Thus, people play an important role for attaining profits. It is not only hiring the right person at the right place rather the organization should also take measures to sustain the environment. This can be done by production of clean and green products, by reducing reusing and recycling the product so that waste is managed and environment is protected. Each and every organization pollutes the environment so measures should be taken to reduce pollution, emission of harmful gases, conservation of air, water and soil so that natural resources are optimally utilized. If the planet is protected then only the people and organization will survive. Profit is derived by subtracting all the expenses from sales which is the ultimate aim of any organization. In 2010, CSR2.0 was introduced by Wayne Visser which is a double helix model which takes into consideration Environment, social, economic and human sustainability as well as moral, community, labor and financial responsibility. This is how CSR has evolved and has now become corporate sustainable responsibility from corporate social responsibility.

CSR (Corporate Social Responsibility)

Corporate responsibility or is a one of the most crucial factor for the business and society literature, addressing topics related to business ethics, corporate social performance, global corporate citizenship, and stakeholder management.

CSR has featured as a mechanism for stimulating triple bottom lines, that is economic, Social and environmental concerns of corporations in communities where businesses Operate (Haskins, 2009).

CSR is the firm's policies that contribute to the well being of the environment, economy and society. It looks into the needs of its stakeholders (customer, supplier, shareholder, employees, government, people and the communities) where it performs its task and achieves the goals without compromising the ability of the future generation to fulfill their needs by making innovations.

Any organization launches a product to enter into the market with the aim of earning profit. The product is consumed by the society. So the organization has some responsibility towards the society which is known as corporate social responsibility. An organizations ultimate motive is profit making but at the same time it is its responsibility to fulfill its social and environmental obligation. An organization gives employment to many people so it is its responsibility to give a better standard of living, good human relation etc. It should also produce eco friendly products so as to save the environment etc . CSR is about how enterprises “manages their business processes to produce an overall positive impact on society”

CSR may be envisioned as “strategic resource to be used to improve the bottom line performance of the corporation “, through increasing the firm's reputation and consumer loyalty, attracting responsible employees and developing new markets.

The main aim of any CSR activity undertaken by an organization is to make the stakeholders happy and to maximize shareholders value. The European Union sees CSR as a contribution to the realization of strategic objective set in Lissabon 2000

“The realization of the objective to become the most competitive and dynamic knowledge based economic area in the world that is able to provide economic growth increased and improved employment possibilities and greater social unity will ultimately depend upon the success of the company and in particular small and medium sized one” (Europäische commission 2001)

CSR not only focuses on profit making but also pays attention environment and social activities across all levels of value creation chains so that it can eradicate and solve societal problems

Entrepreneur’s objective is to grab opportunities and to convert financial risk into a monetary profit. The complete process from identifying those opportunities and converting them into profit, entrepreneurs experience gaps in business operation. Now, when the entrepreneurs identify those gaps, they innovate and operate things in a manner to shift the business operation to the next level. So, entrepreneurs always have a tendency to innovate or to do things differently in order to create their own social glow.

Thus, CSR activities could be treated as an important tool of Entrepreneurship .Now, CSR activities are done in a strategic way such that it won’t affect the stakeholders. Rather, entrepreneurs step out to support CSR activities. They manage to do so by proper implementation of CSR activities, without affecting the stakeholders, and taking risk to bear the cost on their own. In case, these CSR activities are implemented in wrong way, usually entrepreneurs bear the cost of its failure.

Financial support is being provided by entrepreneurs for the smooth functioning and a better implementation of CSR. Generally, entrepreneurs support these activities for societal development, for creating values, and to receive a social response towards their business. Now, getting a social response towards CSR activity is a key issue is to be considered. The acceptance of the CSR activities may also help a business to be accepted socially. For instance, let us consider a small town, where people are not aware of a business existence or they might have not accepted business methodology at the local level. Then, these CSR activities may work as a tool to create awareness and help them to increase their revenues. In those cases, business might be accepted at a local level. The level of acceptance or a social glow of a firm is dependent somehow on the CSR activities and the way these activities are accepted by the people. Then, it is clearly evident that CSR would be considered as key tool for a successful business and thus, leading to successful entrepreneurs. So, many corporate firms are adapting the concept and integrating with their business model.

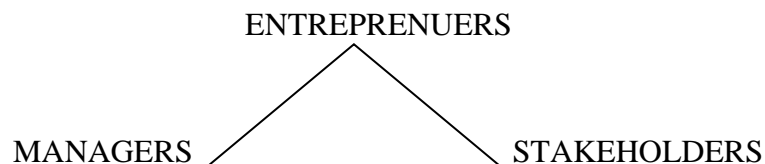
Now days, entrepreneurs are becoming more strategic towards CSR activities and try to solve those issues, particularly in the domain of their core business in order to achieve maximum profit. The changes brought in the society through products and services are not the only thing society demands. It is clearly evident that society expects more than just revolutionizing a business product. Entrepreneurs are very well aware of this demand.

Now, bringing change to the society and to revolutionize the concept through business, they need to bring innovation in its implementation as well as in its operations. Entrepreneurs know CSR activities would help them to bring a change in societal values. Entrepreneurs are moving towards the next level of CSR by finding opportunities in terms of innovation. While

addressing social and environmental issues by CSR, Entrepreneurs innovate their products, business process and services for the success of the business.

CSR brings positivity to drive business towards innovation and CSR encourages corporate leaders to solve social and environmental problems which are faced by our society. CSR should be related to innovation, which is adapted by the entrepreneurs. While innovation in products, services, business process or business model altogether needed to achieve business, social and environmental success. CSR activities is a kind of innovation in which portion of financial assets are put in, which appears to be a financial loss to a company, but eventually it turns out to be a profit making firm. Well, there is one thing that always would be taken care of is CSR implementation. If the CSR activities are not implemented properly, it would be a costly affair.

Well, another aspect of entrepreneurship and CSR activities is that it brings forward a social contract or social bonding between the owners of the firm, i.e. entrepreneurs who take decision, the managers, who implement those decisions and the citizens or the stakeholders, which are actually consuming products or may investing in the business. CSR activities connect the three sides of the triangle.



For a service provided or initiated by a corporate firm is to be considered as a CSR there must be a clear social value creation, and it must bring a new business model that bring something innovative to the market for societal development. Another area of concern for a successful Entrepreneur, that their products must satisfy the demand of present, and had a potential to satisfy the demand of the future generation too, i.e. Sustainable economic development. Now, government agencies and other various socially motivated organizations put efforts to create opportunities for sustainable development. While doing so, companies and corporate firms also get involved in these efforts.

These corporate firms have a vital role for the development of the societies. There is a necessity that these firms contribute for the improvement of the society, particularly in their domain. These contributions could be done through CSR activities. Although CSR implementation is one of the complex tasks, but CSR is considered to be one of the most promising opportunities for entrepreneurs which cannot be ignored. Though these complex tasks lies completely within the capabilities of a Entrepreneur. These opportunities pay off eventually, especially in the developing countries like India. Overall CSR activities are being evaluated on the basis of how they are practiced, how much these activities impact the people locally, how they are leveraging the strength of the corporate firms. Well, building capacity for sustainable CSR is also major area to be taken care off. While developing CSR, various agencies coordinate with each other for sustainable development to achieve its economic potential.

While evaluating CSR, corporate leaders usually follow an approach that predicts its profitability in future. Entrepreneurs try to connect with CSR as far as possible and they try to align their business. Basically, Entrepreneurs follow an approach where CSR as a part of their core business strategy and vision.

Entrepreneurs integrate their CSR activities with their business, so that they can attract potential stakeholders by addressing to the key societal and environmental issues. Therefore, to create a value for business, we need to align the CSR with core business process. Importantly, the value created in the society for the product due to CSR is not constrained to financial profit. Rather, it even enables trust for the business in the society.

CSR provides a new approach to establish a reputation of the firm in an undeserved society by addressing social and environmental issues with new or existing services. The focus of corporate leaders is more on leveraging the market based approach to face those social and environmental issues. But, barriers to access these solutions are based on affordability and accessibility factor that encourage entrepreneurs to customize the product or service offering. This customization is done in order to create awareness about the utility of their offerings.

One of the approaches is to provide employment to local people which helps them to sustain product awareness which even support local community development. Even innovation brings together the expertise of various stakeholders, in particular when business and on field expertise efforts are integrated. The benefit of this approach gives a broader perspective with the consideration of opportunities and even identifying risk associated with the offering.

Across the world, corporate leaders are integrating CSR with their core business strategy and this has led the beginning of new era in corporate industry. This change has enforced entrepreneurs to come up with new innovative ideas and with new business models seeking societal development. Entrepreneurs are motivated to introduce new business model so as to capture the future market.

The activities portrayed comprise great donations to reduce violence against women, to improving national health, reducing poverty or preventing global environment deterioration. (AA,2009.Challenging the importance of size as determinant for CSR activities)
CSR offers vision ad new business model addressing societal challenges which helps in creating value of the firm. CSR is one of those tools which cannot be just ignored by an entrepreneur. Hence, CSR is a tool of entrepreneurship.

In India, entrepreneurs and corporate firms have also established themselves in setting a good example for CSR. Indian entrepreneurs have a long tradition of working within the values. However, in recent times Indian entrepreneurs have proved themselves in putting effort for societal development through CSR. Corporate firms in India have come up with both innovation and business process change in adapting CSR initiatives and integrating them into core business process.

Research Methodology

Secondary data is used. Content analysis of the various sustainability reports, annual reports of some of the polluting industries. Of each of these industries, top 5 companies (according to market capitalization in BSE/NSE) has been surveyed.

This article tells us about the CSR and sustainability initiatives undertaken by the 17 most polluting industries listed by the Central Pollution Control Board. Each and every industry is doing something or the other to be sustainable. Some of the measures which differentiates them from each other are:

1. Aluminium Industry: Future proofing is one of the most important pillars of sustainability framework in which issues like climate, water etc is dealt. Moreover, recycling is done but at the same time quality is not hampered. Scrap collected from

society, of company itself and then it is recovered through slag discarded by conventional production activities.

2. Cement Industry: Clean development mechanism is being used. Thermal electric energy is being used. Fly ash is being recycled which helps in asbestos manufacturing concrete work and agriculture. Latest flue gas technology is being used to restrict emission of gas, which helps in controlling pollution.
3. Pharmaceutical Industry: Solar energy is being used authorized recyclers are given potassium salt, which is generated from evaporation process, to produce fertilizers for horticulture. Crops like palm oil, cocoa, sugarcane, fluoride free salts being used for cultivation.
4. Fermentation Industry: Principles of green chemistry is being applied in production of a medicine. Water is being conserved through bio gas, which is generated by the an aerobic waste treatment plant.
5. Oil Refinery: Gas emission is being controlled by usage of bag filters, electrostatic precipitators, scrubbers etc.
6. Sugar Industry: Bio pesticides are being used instead of chemical pesticides to make organic products. Ethanol is being produced through molasses which helps in conserving fossil fuel.
7. Petrochemical Industries: Algae is being used to produce bio crude oil. Use of land that is non productive. Conservation of energy by applying dry ice cleaning technology.

Conclusion

Though it is difficult for any big organization to reform its process, policies but yet these industries are doing a lot to protect the environment being polluted. He

After surveying these industries we have come to know about the various measures undertaken by each of these industries to attain sustainability with respect to conservation of energy, reduce, recycle, reuse, protection of bio diversity, reducing the emission of gases etc.

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