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Innovative Trends in Corporate Social Responsibility and Influence of Social Media

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ABSTRACT

Business that innovates sustains amidst competitive environment. Business organizations as they innovate should adopt sustainable business practices and should share their success/ profits by taking part in effective CSR programmes that could contribute to society. Even the smallest of business organizations benefit, when putting CSR at the heart of their business. The paper narrates on the innovative corporate social responsibility practices adopted by few successful organizations who have contributed to the society. It signifies the influence of social media gaining momentum towards business activities. It also discuses suggestions on how best corporate social responsibility could be thought towards community development in futuristic organizations. A critical review of the peer-reviewed and scholarly literature concerning CSR is followed by the case of successful innovative CSR practices in business organizations. Finally, there are few suggestions on how corporate social responsibility could be adopted at individual level in every organization.

KEYWORDS: Social responsibility, community development, innovation, employer branding, best practices

Introduction

Innovative businesses are sustainable businesses. Over the past few years, increasing interest of Corporate Social Responsibility has led to different approaches of responsible business activities. The contemplation of CSR has sprung up and it is steadily becoming an apparent dimension for any business strategy. It is also becoming increasingly distinct that firms can contribute to their own wealth and to societal wealth by considering the effect they have on the world at large at their decision points. Therefore, there is a high compelling need for business houses to practice sustainability principles in the way they conduct business.

From the organization's view point, CSR can be minded as a dual deed concept. One, it serves as an opportunity to show true commitment to a cause. When a company uses sustainable materials in the products, donates financial resources to environmental causes, allows employees to take paid time off for volunteering at environmental charities they would be showing true commitment. Two, CSR is now becoming a tool for employer branding. A good public image is a decisive marketing asset and its importance just cannot be under rated. Having the goals and vision for the company, that thinks beyond products and profits will definitely provide a warmer image for a business.

In today's scenario, social media is becoming an essential constituent of public perception. Visible CSR campaigns are due to the importance and prevalence of social media. According to a report by IAMAI (Internet and Mobile Association of India) and IMRB (Indian Market Research Bureau) International, the number of social media users in urban India reached 78 million by June 2013. 45 million people use Internet in their local languages. It is approximated that India may have around 91 million social media users by December 2013. Due to the affordability of smart phones and availability of cost effective data plans, social networking is rapidly penetrating the Internet user base across the length and breadth of our nation. Hence, it's becoming tough to deny the fact that social media has indeed become an essential communication mode for nearly every organization with an online existence.

Corporates are free to choose CSR activities, says Sachin Pilot, Minister of Corporate Affairs. He has also predicted that the CSR provision would lead to anything from Rs 19000 – 25000 crores annual investment in the country's social sector. But the voluntary approach to corporate social responsibility has failed in many cases, says David Suzuki. As there is a decline in voluntary contribution towards CSR, the New companies Act 2013 makes it mandatory for profit making companies reporting Rs 5 cr or more profits in the last three years to spend at least 2% on their average profits headed for CSR activities.

Here is a list of India's Top CSR spenders:

India's Top CSR Spenders			
Companies	CSR Spend (in crores)	Net Profit (in crores)	CSR as % of profit (in crores)
Reliance Industries	285.00	20886.00	1.36 %
Indian Oil Corporation	88.00	3627.30	2.43 %
Adani Enterprises	58.80	1217.60	4.83 %
Jaiprakash Associates	57.90	777.20	7.45 %
Mahindra & Mahindra	33.90	3645.70	0.93 %
Ramco Cements	32.80	403.70	8.12 %
Jaypee Infratech	30.90	694.50	4.45 %
Piramal Enterprises	29.00	-217.50	-13.33 %
Sesa Goa	26.50	-131.00	-20.23 %
GSFC	26.40	518.10	5.10 %

Figures for financial year ended March 2013
NA: Not applicable as companies posted losses
Source: ETIG Database

Social Media – Influence on Business

"Social media is transforming the face of CSR, as citizens worldwide have unprecedented access to information – via websites, blogs and apps – about corporate behaviour:" (2013 Cone Communications/ Echo GLOBAL CSR STUDY). Here are few statistics on the influence of social media on business:

1. 27% of the total online time spent on social networking.
2. 85% of Internet users have face book accounts and 49% have twitter accounts.
3. 84% of online shoppers use online sites.
4. Social media produces double the marketing leads when compared to trade shows, telemarketing, direct mail and PPC.
5. 60% of online consumers follow or give feedback and to brands on social media sites.

Innovative CSR in business organizations

Intel

Intel believes that every girl holds the power to change the world. They

have worked for decades to improve education around the world understanding that if the education gap of girls is closed, it will not only transform their lives, but also the lives of everyone they touch. They took a chance to untap the millions of children to transform the local communities and add to the world's economic growth. With the latest statistics on Intel's justification to invest in girls and women, approximately one quarter of girls, in developing countries is not in school. When 10% more girls go to school, a country's GDP increases, on average, 3%. Thus they provide education to large group of women across nations. Every year, this company is investing 100$ million in corporate contributions around the world, focussing towards the education of girls and woman. They believe in today's investment as a change agent for tomorrow.

Piramal e-Swasthya

The Piramal group is a diversified conglomerate with operations in over 30 countries and brand presence across 100 markets around the world. The group generates 70% of its revenue from nations outside India. They are a team of 7500 people from around the world. Piramal Foundation, the philanthropic arm of Piramal Group, runs project across healthcare, education, livelihood creation and youth empowerment. Piramal e-Swasthya initiative dreamt to democratise healthcare. Only 30% of Indians have access to modern medicine. This model is developed in partnership with Prof. Nitin Nohria of Harvard Projects like Piramal Water (Sarvajal) and e-Swasthya are now Harvard Business School case studies. They recruit local literate women and provide training. These women are provided with medical kit, marketing material and a mobile phone. They are then assisted to set-up a tele-clinic at their own homes. Patients from the villagers come to this centre. After examining the patient, the health care worker communicates this diagnostic data through a cell phone to a centralized call centre. From the back end, a call centre worker enters the information provided into a simple e-diagnostics system, which generates an automated response with the recommended prescription and treatment. Doctors who are heading the call centre will also validate this. The total treatment costs between Rs 30-Rs 50 depending on the medical condition. It is also a village level pharmacy. They also conduct preventive healthcare workshops, guest lectures on generating awareness about issues on sanitation, nutrition and first aid.

This model provides world class medicinal facilities to the villagers' doorstep through cutting edge technology. Patients are able to access high class medicinal facilities at an affordable price. As patients are treated in villages itself, they save a lot in travelling and in searching for right medical source. Through this project, Piramal has created more number of women entrepreneurs. The villagers are also able to get products from someone who they know and trust.

Adani Foundation's: Adani Vidya Mandir:

The Adani Foundation, a sponsor project of Adani Group has established "Adani Vidya Mandir" school in June 2008 in Ahemdabad. As many other schools, they offer computer literacy, coaching for many competitive examinations to get into professional coaches. The school is spread over a land area of 26256 sq mt with a total built area of approximately 1,10,000 sq ft, with technology enabled class rooms, music centre, maths lab, multipurpose seminar hall. The most innovative and admirable point of Adani Group's corporate social responsibility is that they provide free transport facilities, uniforms, school notebooks and books. The education in this school is pertinently meant for people whose total family income should be less than one lakh in a year so as to be eligible for getting admission. Thus way, the Adani group provides holistic education to the deprived sections of the society. The school has a satisfying strength of 1100 students in +12 level with science and commerce background.

Mahindra Kisan Mitra – Mahindra Initiative

Mahindra Group has designed a website namely mahindrakisanmitra.com where farmers can check daily mandi prices, read weather updates, latest crop advisories, and agri related news. The site also provides information under various crops, loans, insurance, mandi database, agri events etc. They also established Mahindra Samriddhi Centres at Pune, Aurangabad, Khamman, Karimnagar, Nagpur, Raipur, Jamnagar, Haridwar etc. They have generated 600 women tractor drives and planning to train 15000 women by the end of 2014. This move has motivated Mahindra and Mahindra to develop women entrepreneurs in rural areas as many men in villages has migrated to urban for jobs. This has resulted highly in the reduction of gender disparity, economic prosperity, earning goodwill and contributing to the brand image of the company.

CSR at all levels

It would be highly irrational to think that CSR is meant solely for large scale organizations. Even smaller business could contribute to the development of the community in a lucid and innovative way.

1. Organizations could identify a poor village, adopt the entire village and take care of the environmental concerns, cleanliness of the area etc.
2. Employing right candidates and job filling is perpetually an HR issue. Organizations could concentrate on the weaker sections of the society and offer them part time jobs, training for people who are in need of long term employment or providing students looking for first time job experience.
3. In case an office worker uses 10 sheets of paper on an average, the organizations can think on paperless office or at least to recycle and reuse the paper.
4. A monitor left 'ON' in the office is equal to printing 800 A4 sheets leading to lots of unnecessary energy use. A small awareness might influence effectively.
5. Employees could select a downtrodden charity and make monetary donations. Further, they could also increment their community relationships by allocating charity days even six months etc. Certainly, the organizations should have a clear exit strategy that leaves the charity in a better place.

Conclusion

Though CSR activities are of charitable in nature, it contributes not only to community development but also in creating a positive image for the company. Corporate Social Responsibility is a sustainability principle and business that innovates are to find place in the future markets. Innovative CSR practices contributes to factors like improved quality, creation of few markets, reduced labour costs, improved production processes, reduced materials, reduced environmental damages, replacement of products and services etc. It helps in employee retention, long term recruitment, good will and most of the soft factors that could be considered for organizations' performance. The leaders of the business organizations should inspire and motivate the employees why the destination of CSR is important to make it a success story. Organizations should come forward with open mind and a larger heart to uplift the community for development. Rather than CSR becoming an initiative for community development, it should become more the way of doing business for sustainable development of the community and business as well.

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