



## Corporate Social Responsibility : A Study of Natco Trust

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Corporate social responsibility (CSR) has been defined as the integration by companies for social and environmental concerns in their business operations and in their interaction with their stakeholders (the employer, employees, supplier, buyers, local communities, civil societies, government and other line departments) on a voluntary basis.

Businesses are an integral part of the communities in which they operate. The corporate companies are aware that their long-term successes are based on continued good relations with all the stakeholders. Smart firms know that the success or failure in their businesses depends on the protection of the people and planet. Moreover, the general public has high expectations of the private sector in terms of responsible behavior. Consumers expect goods and services to reflect socially and environmentally responsible business behavior at competitive prices.

Stakeholders on the other hand are searching for enhanced financial performance that integrates social and environmental considerations, both in terms of risk and opportunities. In most of the developing world, governments and business understand that their respective competitive position, and access to capital, increasingly depends on being seen to respect the highest global standards.

Even companies which may have a good reputation can risk losing their hard-earned name when they fail to put systematic approaches in place to ensure continued positive performance. The effect of a tarnished reputation often extends far beyond that one firm to entire sectors and, indeed, nations can suffer.

### Meaning of Corporate Social Responsibility

Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization.

A key point to note is that CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. As issues of sustainable development through public private partnership have become more important, the question of how the business sector addresses them is also becoming an element of CSR.

### CSR in India

CSR in India is understood differently by different companies. To some it means donating money to charity and to others it may mean building temples, schools etc. The important thread linking all these activities is that of social good. The CSR agenda in India needs to evolve beyond philanthropy, not because philanthropy is not relevant but simple because, with globalization the drivers of western CSR practices have become equally relevant to India.

Gandhiji was a person who in several respects was ahead of his time.

His view of , the ownership of capital was one of trusteeship, motivated by the belief that essentially society was providing capitalists with an opportunity to manage resources that should really be seen as a form of trusteeship on behalf of society in general. Today, we are perhaps coming round full circle in emphasizing this concept through an articulation of the principle of social responsibility of business and industry.

### Public-Private-Partnership - The Concept

Public-Private-Partnership or PPP is a mode of implementing government programmes/ schemes in partnership with the private sector. The term private in PPP encompasses all non-government agencies such as the corporate sector, voluntary organizations, self-help groups, partnership firms, individuals and community based organizations, PPP, moreover, subsumes all the objectives of the service being provided earlier by the government, and is not intended to compromise on them. Essentially, the shift in emphasis is from delivering services directly, to service management and coordination. The roles and responsibilities of the partners may vary from sector to sector. While in some schemes/projects, the private provider may have significant involvement in regard to all aspects of implementation; in others s/he may have only a minor role.

### Social Sector and PPP

While better physical infrastructure augments productivity (and lowers production costs), it is no guarantee to sustainable development in the absence of investment in human capital. After all, it is the man behind the machine who is important. The UN's Millennium Development Goals aims at (i) eradication of extreme poverty and hunger, (ii) achievement of universal primary education, (iii) promoting gender equality, (iv) reduction in child mortality (v) improvement of maternal health,(vi) combating HIV/AIDS, malaria and other diseases, (vii) ensuring environmental sustainability and (viii) developing a global partnership for development, including partnership with private sector and civil society in technological development. All these Objectives are to be achieved by 2015.

The present study with Natco Trust (A corporate social responsibility division of Natco Pharma Limited, Hyderabad) aims to study the public private partnership that the Natco Trust builds up at the grass root level organizations like Panchayat Raj institutions; Community based organizations, professional bodies and government departments. The study is focused on the demand driven projects, its partnership, implementation strategy, effectiveness, utilizations, sustainability, the best practices and hurdles faced while executing it.

### Objective of the study

- To understand the concept of CSR and PPP and implementation models in community development
- To analyze the activities coordinated in PPP model by Natco Trust
- To compare and to arrive to a conclusion based on analyzing the activities implemented through private and public schemes/projects
- To evaluate the outcomes and functioning of different models and activities.
- To assess the strengths and weaknesses of all the implementing models.
- To know important sectors need PPP for community development.

**NATCO Trust:**

NATCO TRUST is the corporate social responsibility division of NATCO Pharma Ltd, and it is based in Hyderabad. The core areas of the Trust are Health, Hygiene, Sanitation, Water, Education, Livelihoods, Institutional support and Need Based Community Infrastructure. It operates in the vicinity of wherever it has a business presence. Since its inception in 1995, the Trust has been evolving and constantly revisiting its role in society.

Our Corporate Social Responsibility Statement and Principles define our approach towards the society-the most important stakeholder in the development of the organization. We at NATCO endeavor to make a positive contribution to the underprivileged by supporting a wide range of socio-economic programs including education, health, sanitation, hygiene, livelihood and other community based initiatives. Many of these community projects and programs are driven by active participation of different stakeholders like the promoters, the employees, the suppliers, the government etc.

Currently the Natco Trust is operating in 4 districts namely, Mahabubnagar, Nalagonda, Guntur and Hyderabad in the state of Andhra Pradesh. It aims to reach the unreached community in the areas of education, health, water, sanitation, livelihoods and community based infrastructure support.

**Core areas of intervention**

<p><b>Education</b></p> <ul style="list-style-type: none"> <li>a) Pre-primary education</li> <li>b) Primary and secondary education</li> <li>c) Adult education</li> <li>d) Child centric physical infra</li> <li>e) Public private partnership</li> <li>f) School sanitation</li> <li>g) School health</li> <li>h) Vocational education</li> </ul>	<p><b>Health and environment</b></p> <ul style="list-style-type: none"> <li>a) Community based health services</li> <li>b) Nutrition centers</li> <li>c) Individual sanitation</li> <li>d) Purified drinking water</li> <li>e) Need based infrastructure to government hospitals</li> <li>f) Patient counselors support to government hospital</li> <li>g) Medicines to government hospital and NGOs/CSRs</li> <li>h) Promotion of saplings, kitchen gardens vermin compost pits and non pesticide management</li> </ul>	<p><b>Livelihoods and community based infra</b></p> <ul style="list-style-type: none"> <li>a) Skill development trainings</li> <li>b) Direct employment</li> <li>c) Out sourcing for skill development</li> <li>d) Creation of village roads and religious worship places</li> <li>e) Entrepreneurial (EDP) programs</li> </ul>
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**Natco Mobile Health Clinic**

The villagers in 11 villages said they were suffering from basic ailments like (fever, cough, cold, vomiting, motions, allergy, and burning sensation in the stomach, hands and legs paining, malaria, typhoid, headache. A majority of 76% of the respondents said they were suffering from basic ailments. While 23% of the respondents said that they were suffering from chronic diseases like BP, paralysis, diseases leading to disability, spondylitis).

No Primary health center or primary sub center within a radius of 50 kilo meters with all the basic facilities. The ANM visits each village once in 3 weeks and provides minimum health services and most of the villages have one or two RMP doctors (for a few than as the RMP doctor visits one's in 3 days and provides health services). Open defecation, no proper drainage system, no safe drinking water leads to Pneumonia, rickets, Malaria, Muscular skeletal disorder, anemia, common fever, a wide variety of respiratory, gastro oral, genito urinary infections, dehydration, malnutrition and other health related problems.

33% of the respondents said that they approach government hospitals when they are ill, 10% of the respondents said that they go the Kamala Nehru area hospital while a decisive 40% of the respondents expressed that they approach the nearby private hospitals and 23.8 percent of the respondents said that they did not go anywhere even when they are not well.

A significant 33.20 percent of the respondents said that they have spent money ranging from Rs.1-500 rupees for treatment, while 28.1 percent of the respondents said that they did not spend any money

Natco Pharma Limited has bagged the prestigious Golden peacock award for corporate social responsibility for the year 2012 for the initiatives and efforts made by the company to improve the quality of life of the underprivileged in the core areas of health, education, sanitation, hygiene, water, environment, livelihood and other community based infrastructure development.

**NATCO TRUST'S Areas of Intervention:-**

Natco Trust has initiated the interventions in different core activities on a phased mode in different villages, based on the need and urgency to mitigate the challenges faced by the community with their active participation. The Trust activities revolve around the following areas-Health, Education, Livelihood, Water and Sanitation and Environment.

The team members of NATCO Trust visit all the targeted villages and slums to know their status on health, education, sanitation, livelihoods and community infrastructure. Following the visit, the team members interact with the local public, the public representatives, the women (especially with self help group members), and even the youth, to ascertain actual areas of intervention. There is a constant checking of the processes by means of feedback and community programme appraisal.

for the treatment.

A majority of 62.5 percent of the respondents said that their time was consumed for going to hospital, while 20.90 did not respond for the question.

A majority of 73.04 percent of the respondents said that the Natco medical health services are available to everyone and they are happy with the medical services while 26.95 percent of the respondents said that they are not happy with the NMHC services, when probed the reason for being unsatisfactory it came to light that most of them discontinued the medication.

A majority of 50% of the respondents said that their ailment got cured complete by Natco Mobile Health Services. While 24 percent of the respondents said that they got cured partially by NMHC services and 32 percent of the respondents expressed that they did not get cured by NMHC services

**Nutrition Centres**

Analysis and interpretation of data

It is found that a significant 45% of the respondents said that the age group of the respondents is between 16-18 years while 22.5 percent of the respondents said that their age group is between 14-16 years.

The researcher found out that a significant number of 47.5% of the respondents had undergone caesarian delivery.

The study found that a majority of 60% of the respondents had de-

liveries in hospital. It can be interpreted that there is an increase in awareness on the importance of institutional deliveries and decrease in IMR.

The study found that 100% of the respondents joined the nutrition centre as pregnant women. It can be interpreted that all the women in the villages are aware of the nutrition centre and its activities and they are able to register themselves when they are pregnant.

The researcher found that a significant 50 % of the respondents were able to practice what they have learnt in the nutrition centre about the health education.

The study found that the Village organization (VO) is actively involved in monitoring and management of the nutrition centre. It can be interpreted that the public private partnership at the grass root level has yielded good results in terms of acceptance of the program, involvement of the villagers and honing of the management skills among the village organizations and the beneficiaries.

### Reverse Osmosis purified drinking water plants

Analysis and interpretation of data

A majority of 56% of the respondents belong to Scheduled Tribe community (Lambada), while a significant 36% of the respondents belong to Scheduled Caste (Madiga).

A significant 46% of respondent are in the age group of 50 to 55 years.

A majority of 56% of the respondent said that they were residing in the village from birth.

The source of drinking water before initiation of reverse osmosis purified drinking water was from river Krishna as informed by 64% of respondent.

A majority of 72% respondent said that they have joint pains, difficult to walk and perform day to day activities.

Focus group discussion has been initiated by Natco Trust to discuss in set up a community based reverse osmosis purified drinking water plant in the village. In the focus group discussion a majority of 84% respondent has took part and expressed their views and concerns.

In the focus group discussion it was decided that the panchayat would manage the RO plant, the community would pay for the water at Rs. 2 for per 20 liters, Natco Trust would donate the plant for the village. The revenue generated from the selling of water plant would be used in supporting the plant maintenance and the rest of the revenue would be spent for the community development.

### Natco Bala Vikasa Kendra

A majority of 53.3% of the respondent said that they have put their children in the year 2008 in the Bala Vikasa Kendra. It could be interpreted that the people of the village are aware of Natco trust activities. A majority of 60% of the respondents said that they put their children in the Bala Vikasa Kendra at the age 4 years and 40% of the respondents said that they have put their children in the Bala Vikasa Kendra at the age of 3 years. It could be interpreted that the importance of education is felt by the parents that is the reason; they have admitted their children to the school at the age of 3.

A majority of 53.33% of the respondents have 2 children. While 33.33% of the respondents have 4 children and where as 13.33% of the respondent said that they have 3 children. It could be interpreted that the holistic approach of Natco trust activities, that includes community health services and health education, has paved way for the villagers to understand the importance small family norms.

There was no government Anganawadi centre in the village. There is a government primary school; where in only 13 students were on roll for the classes from 1st standard to 5th standard. The school does not have a pucca building and it was run by a vidya volunteer in a small thatched house. It was a single school teacher and the teacher never ever makes a visit to the school. It could be interpreted that the ini-

tiation of preschool activity is demand driven and need based intervention.

100% of the respondents said that the parents meetings were organized every month. The meetings facilitated to discuss the importance of education, family support for the children, community support to run the pre primary school, it inculcated the habit of expressing the views and concerns of the parents towards the children and the village. The decisions taken in the meetings are recorded and it has been reviewed in the next meetings.

A majority of 53.3% respondents said that, they made visit to Bala Vikasa Kendra to know about the child's progress. It could be interpreted that all the respondents make a visit to the Bala Vikasa Kendra at least once in a month to know their child's progress.

100% of the respondents said that the Bala Vikasa Kendra education helped their child in the learning process and inculcated the school going habit. The concept of multigrade multi level methodology was very new for them and they are happy with the learning pace of the children.

A majority of 60% of the respondents said that their children's communication skill, individual hygiene, socialization, learning pace of new language, interpretation of learnt themes improved after joining the Bala Vikasa Kendra. It is observed that the mother tongue of the children is Lambada and the students were taught in bi-lingual.

100% of the respondents (parents whose children were in the program from the time of the starting of the mid day meal i.e., 14-10-2010) said that they were involved in the preparation and serving of the meal. There was a time table and according to it they have planned and implemented it.

100% of the respondents were aware that the Natco Trust is providing groceries and other ingredients of the mid day meal.

100% of the respondents expressed that they have volunteered themselves for cooking the midday meal. Every working day they start cooking the meal at 10am.

100% of the respondents said that there were no complaints from the parents on cooked material.

100% of the parents felt that the mid day meal program helped a lot for their children in enhancing their health, it made them feel relaxed and concentrate on their work in their fields getting ensured that their children are well fed, taken care of their education they are getting a feeling that it's their program and they are feeling satisfied about it.

### Conclusions:

The concept of CSR has had the long and diverse history in the literature. Although references to CSR occurred a number of times prior to 1950s, that decade ushered in what might be called the "modern era" with respect to CSR definitions. Wood (1991) expanded and set forth a CSP model that captured the CSR concerns. During that time there was a continuation of a trend begun earlier to operationalise the CSR concept and to articulate other concepts that were consistent with CSR theory but that took alternative emphases or themes as their centerpiece.

The CSR concept will remain as an essential part of business language and practice, because it is a virtual underpinning to many of the other theories and is continually consistent with what public expects of the business community today. As theory is developed and research is conducted scholars may revise and adapt existing strategies of CSR. More than likely we will see new realms in which to think about business responsibilities to our stake holder society particularly at the global level, and in new and emerging technologies fields and commercial applications.

In this context, it appears that the CSR concept has a bright future because at its core, it addresses and captures the most important concerns of the public regarding business and society relationships.

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