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Corporate Social Responsibility Towards Sustainable Growth

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ABSTRACT CSR is the concept, where by companies integrate social and environmental concerns in their business operations on voluntary basis. The Social responsibility perceptions affect the image of the brands and firms. The propensity of consumers to buy brands and patronize retailers will have impact on financial performance of firms. Organisational CSR activities in a voluntary and strategic manner can satisfy both shareholders and stakeholders. The present article focuses on Corporate responsibility towards sustainable growth of the organization and community/country and also a variety of developmental strategies of organisations for dealing with social needs, natural environment and corresponding business imperatives. CSR is closely linked with sustainable development. . Midhani is focusing on developing company specific social responsibility strategies in short, medium and a long term periods with an inbuilt mechanism for monitoring and accountability.

KEYWORDS

CSR, Sustainable Development, Corporate, Midhani, Community

Introduction:

Today our planet is a home for more than seven billion people and will be a home for more than nine billion by 2050. (UNDESA,2004). At the same time , economic ans social inequalities and environmental degradation are increasingly contributing to complex global crises. Growing global consumption and unsustainable practices are depleting the resources at an unprecedented pace. (World Bank, 2008) The poorest 10% of the world’s people consumed just 0.5 percent of planets resources and wealthiest 10percent accounted for 59 percent. There is a dearth of solutions to these crises and there is a need for solution to be based on the principles of good governance and equity, including common but different responsibility by government and corporate for developed and development countries based on their responsibilities and current capabilities. Unethical business practices may lead to bad publicity, damage to reputation, loss of brand value and falling share price. Therefore, the present article focuses on Corporate responsibility towards sustainable growth of the organization and community/country and also a variety of developmental strategies of organisations for dealing with social needs, natural environment and corresponding business imperatives.

Review of literature: Corporate social responsibility (CSR) is also referred as ‘Responsible competitiveness’ or ‘Corporate sustainability’. It is the way companies manage their businesses to produce an overall positive impact on society through economic, environmental and social actions. CSR is the concept, where by companies integrate social and environmental concerns in their business operations on voluntary basis. The world Business Council for Sustainable Development (2006), described CSR as the business contribution to sustainable economic development. Building on the basis of compliance with legislation and regulations, CSR includes ‘ beyond law commitments and activities pertaining to : corporate governance and ethics; healthy and safety; environmental stewardship; human/ labour rights; sustainable development; conditions of work; industrial relations; community involvement, development and investment; involvement and respect for diverse cultures and disadvantaged people; corporate philanthropy and employee volunteering; and customer satisfaction and adherence to principles of fair competition.

Luo and Bhattacharya,(2006) The Social responsibility perceptions affect the image of the brands and firms. The propensity of consumers to buy brands and patronize retailers will have impact on financial performance of firms. Importance of CSR

is driven by the dramatic increase in Public information about the CSR activities of the firm. It is mandatory to disclose CSR activities in the annual reports of firms. The firms’ repots are often different from their stated standards of social responsibility. There is a need for organizations to link their business strategies to the social responsibility.

CSR is a multilayered concept having four main aspects such as economic and legal responsibilities as required by society; ethical responsibilities as expected by society; and philanthropic responsibilities as desired by society.

Baxi and Chadha (2005) viewed that Regardless of human capital and national resource endowments in the economies , the modern multinational and large corporations have prospered and imposed considerable economic and social burden on the nations who are on the periphery. Shrivastava and Venkateswaran (2002), stated that the real CSR measures should focus on benefitting people and community other than those whom the companies are contractually obliged to namely, those who are socially and economically disadvantaged. it is also found that if firms pursue CSR activities in a voluntary and strategic manner they can satisfy both shareholders and stakeholders. Puranik and Mehta(2005), viewed that in India many multi-national companies are engaged with community development as an important agenda in their business., where they consider community as an important stakeholder.

Community Development initiative Model of CSR :

Tata Steels, Vedanta and SAIL have developed this model. It shows the strategic way of community development for sustainable society. It is a step by step procedure given figure-1.



Misra Dhatu Nigam Limited (MIDHANI)- An empirical study:

Midhani is a Mini Ratna, ISO 9001:2008 & AS 9100C company with modern metallurgical facilities and high degree of technical competence for manufacturing a variety of super alloys special metals meeting stringent international standards for application to aerospace, Defence, Atomic Energy, power generation chemical and other hi-tech industries. Pursuant to the Guidelines issued by Dept. of Public Enterprises, during April, 2010, the Board constituted a Committee called as "Corporate Social Responsibility Committee" having an independent Director as its Chairman. This policy is made in accordance with the notification issued under section 135 of Companies Act 2013 issued by Ministry of Corporate Affairs (MCA) with effect from 1st April 2014 and DPE guidelines. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but shall not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. Section 135 read with section 198 of the Companies Act 2013 states that a company shall spend at least 2% of the average Net Profits for the preceding three financial years for its CSR activities of current year.

Corporate Social Responsibility Committee:

Being a corporate citizen, the company has been discharging its social responsibilities by undertaking various welfare measures like Community development, pollution control, and eco-friendly measures. Report on CSR & Sustainability projects / Programmes / Activities taken up during the financial year 2015-16.

(i) Promotion of Health Care and Sanitation:

Midhani, for nearly two decades now, has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programmes of national importance and hi-tech segments of Indian industry. It is offering its core competency in manufacturing custom alloys and tailor-made Bio-medical implants using advanced technologies to suit to the specific requirements of patients.

a) Improvement of sanitation at Govt. Schools:

Construction of Toilets under Swachh Bharat Scheme 27 Nos. including Maintenance to benefit approx. 1200 students both boys and girls. Drilling of bore wells and necessary pipelines at three schools where there is no water facility.

b) Distribution of Aids & Appliances to Disabled persons:

Approx. 300 persons of various disabilities such as Orthopedic, Hearing Impairment, Visually Impaired are provided with Tri-Cycles, Wheel Chairs, Walking Sticks, Hearing aids etc. All beneficiaries are belongs to BPL & Poor families identified by District Rural Development Agency of Medak Dist. of Gajwel Mandal Telangana as shown in Figure-2



(ii) Promotion of Education : Infrastructure facilities to Schools and Colleges:

In order to improve learning abilities and create more conducive environment, Dual desks have been supplied to various nearby Govt. schools to benefit around 1200 students.

b) Mid-day meal to Govt. Schools :

Midhani has sponsored Mid-day meal to approx. 5000 Children in 3 Mandals of Medak Dist through M/s Akshya Patra Foundation, given in figure 3



3. Environment Sustainability, Ecological balance and conservation of Natural resources:

As part of environment & Maintain ecological balance, Midhani has taken up plantation in a big way in nearby areas to improve greenery and development of water bodies. Necessary equipments have been procured to take up plantation on regular basis at vacant lands, shown in figure-4.



(iv) Women empowerment & Skill Development:

As envisaged in CSR-policy of Midhani, efforts are on to set up skill development centre and required infrastructure facilities such as machinery and tools are procured, A vertical milling machine has been procured to train women to impart machining



The company has provided necessary platform for women employees to realise their potential to take personal responsi-

bility for performing the job with commitment and take pride in what way they do and contribute to achieve the organisational goals. The Annual reports of Midhani indicates that strength of females in executive cadre in around 218% in the financial year 2013-14 as compared to that of 2006-07.

According to Official Languages Act, 1963 and The Official Language Rules, 1976, the company has intensified its efforts, to propagate Hindi in Day-to day activities, by conducting 'Hindi Awareness workshops' , ' Hindi Divas' celebrations and " Sankalp", a 'Techno Commercial' Annual Hindi Magazine.

Sustainable Development Committee. (SDC)

This committee has been constituted w.e.f. from 17.3.2012. The committee aims at development that meets the need of the present without compromising the ability of future generations to meet their own needs with the objective of having an enduring and balanced approach to economic activity, social progress and environmental responsibility. The committee is instrumental for the conception of Sustainable Development policies (Planning, implementation, monitoring, reporting, training, documentation and evaluation of the projects) of the company. The company has currently taken up projects in the areas of Waste Management, Energy Management and sustainable Development training.

The study revealed that it has adopted Community Development initiative Model of CSR . The company has been discharging its social responsibilities by undertaking various welfare measures such as community development, pollution control and eco-friendly measures, in its true letter and spirit. It has been taking steps to ear-marking of separate budget for these activities. The main objective of the company is to develop company specific social responsibility strategies in short, medium and a long term periods with an inbuilt mechanism for monitoring and accountability.

Conclusion:

CSR is closely linked with sustainable development. Sustainable development seeks to meet the needs of the present without compromising the ability of the future generation to meet their own needs. The sustainable development approach gives rise to the triple bottom line approach for business operations. The objective of the business should be profit, people and planet. Business must sub serve the economic, social and environmental concerns in their growth strategy. Midhani is focusing on developing company specific social responsibility strategies in short, medium and a long term periods with an inbuilt mechanism for monitoring and accountability.

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