

# HUMAN VALUES IN CORPORATE SOCIAL RESPONSIBILITY: A CASE STUDY OF INDIA

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**Abstract** *Values provide an in-built standard of reference and judgment for our actions. Values are by no means static, permanent, and unchangeable. We may have good reasons for abandoning a value or incorporating a new one in our system, but that process involves its own justification and careful reckoning. The corporate sector in India is dominated by family firms, not only in terms of overall numbers, but also with respect to representation among the largest companies. Some of the more prominent of the family controlled business houses have a history of corporate philanthropy and involvement in community development dating back to the last century and the early part of this century. These commitments, in most instances instilled by the founder of the firm, have expressed themselves in a wide Variety of areas.*

**Keywords** *CSR, Values*

Without values, community life would be a chaos and individual life meaningless. A 'value'-less life is a valueless life. And who wants a life that's not worth a dime? We all want our life to have some meaning, some direction, and some self-evolved authority for guidance. Along other values moral values regulate human conduct at much deeper levels of our personality than most other values do. Moral values have a tendency to take preference to over other values. Values grow, change, and take new look according to human's attitude. When people examine their thoughts action and feelings for it is through these that people values are expressed. "Although values are not themselves belief's or judgments, they necessarily come to expression in and through thought. Although values are not feelings or emotions, they inevitably involve desires and fears. Although values cannot be defined as deeds, they always are mediated through specific acts. To paraphrase and expand on Kant; values without reason would be blind, without feeling would be impotent, and without deeds would be empty" (Richard, 1980).

Values provide an in built standard of reference and judgement for our actions. Values are by no means static, permanent, and unchangeable. We may have good reasons for abandoning a value or incorporating a new one in our system, but that process involves its own justification and careful reckoning. If course, unlike our beliefs and attitudes, values are not chosen or abandoned casually, because something very vital is at stake here-the self's own estimate of itself.<sup>2</sup> "Value is that quality of anything which renders it desirable or useful (A vedanta Kesari Presentation, 2001).

In this light let's look at which values in business would render it useful for spiritual growth. Here the philosophy of Vedanta has much to offer the spiritual aspirant. Vedanta

offers a perspective that nurtures values conducive to business. Each of these values needs to be complementary to one's inner practice.

Unity in variety is the basis for all ethics and values, in business as well as our individual lives. You can't have one set of rules for business, and another for your personal life. There is one set of values or ethics for all individuals. There is no 'class' structure in ethics. One of the foremost values in business is, the ability to approach work as selfless service or worship, called karma yoga. Business can become karma yoga when people are engaged in selfless action without regard to the result. But in real life we cannot be so selfless, but we should not overlook the values. We must strive to have the right intentions as well as the right action.

All of the really successful companies have established their success on the bedrock of customer service. This value is easily spiritualized into serving the highest aspect in man: seeing the customer as a manifestation of the divine. People have to work with a real sense of cheerfulness, knowing that the results of the 'game' are not in our hands. Business is not the be all and end all of life. It becomes much easier to keep our sense of balance at work when we have a higher purpose that transcends all business endeavors. And with this value, it is much easier to resist the temptations to let the end justify the means in any business decision.

Surrender or Patience is a key value in business. By this people can learn to keep their ego out of their way. And when people share an attitude of openness, this reinforces the ability to celebrate variety. When people are open to others, they become tolerant and accepting. In business these values gain respect and fair competition. When value gives respect and fair competition in business, with these 'giving

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back to society' becomes more significant. Value teaches us truthfulness, kindness, equality. Apart from these, there are social values, aesthetic values, cognitive values and spiritual values.

Concept of Corporate Social Responsibility has only recently been formulated, but it has a long history in both the East and West called social philanthropy. According to changing in nature of business it can be divided in three areas. Traditional corporate philanthropy was concerned for the welfare of the immediate members of the corporate body like the staff and employees and their families. Contributions by visionary business leaders, who build different institutions through individual shares, like some educational trust, women welfare, etc.

The challenging issue on corporate social responsibility is pointed towards stakeholder and more like people, planet and profit. Sustainable development and economic sustainability, corporate profits should be analyzed in conjunction with social prosperity. Along with this, CSR practice applied in ethical business is more fundamental, emerging trend on the international scene.

In India, CSR is known from ancient times as a social duty or charity. This is a concept which through different ages converging its nature into broader aspects. Now it is generally known as corporate social responsibility. From the origin of business, which leads towards excess wealth, social and environmental issues have deep roots in the history of business. Over the time four different models have emerged all of which can be found in India regarding corporate responsibility (Doug, 2001).

The first is the ethical one where there is voluntary commitment to public welfare. In India, it has its roots in the Gandhian philosophy of trusteeship. The second model is of State-owned PSUs. They provide housing and schools to workers. They have existed in India since 1947.

The third is the liberal approach where the belief is that the free market could take care of corporate responsibility. Since the late 80s and 90s there has been increasing realization that business has a social responsibility. This has come about through public campaigns and pressure on the shareholders. The fourth is the stake holder's model. Corporate responsibility now means ethical and environment – friendly practices. Companies are expected to stick to the Triple Bottom line of economic, social and environmental responsibility towards workers, the shareholders and the community.

India has had a long tradition of corporate philanthropy and philanthropy is practice of doing well to one's fellow men. It is not a relationship – therefore corporate philanthropy often does not have stakeholders' interaction and responsibility as a focus, unlike corporate social responsibility. Corporate

Social Responsibility on the other hand is under taken by the company not along charitable lines or with the 'intent to do good' but also building of a good public image.

The concept of corporate social responsibility gained global prominence in the last ten or fifteen years. The rise of corporate social responsibility can be attributed to the process of globalization and to the increase in the reach of transnational corporations.

Historically, the philanthropy of business people in India has resembled Western philanthropy in being rooted in religious belief. Merchants' charity took various forms, such as treasury chests for the needy, providing relief in times of famine or floods, provision of drinking water, building temples, water tanks, wells, ponds, supporting schools etc Merchants gave for charity both individually and collectively through their business and social organization.

On attaining Independence, the main emphasis was being put on economic prosperity and social justice at large. On the role of the business community, JRD Tata advised: *"Apart from the obvious one of donating funds to good causes which has been their normal practice for years, they could, as some of the companies with which I am connected have done, use their own financial, managerial and human resourced to provide task forces for undertaking direct relief and reconstruction measures. This form of public community service could be expanded by the cooperative effort among members of various industries"* (Kumar, Murrphy, Balsari, 2001).

The last decades of the 20<sup>th</sup> century witnessed a swing away from charity and traditional philanthropy towards more direct engagement of business in mainstream development. Most corporate houses have been contributing to social cause largely through their own trusts, foundations and societies. Some of these were set up long before India achieved independence. Today there are over 200,000 private-sector trusts in India, a large number of which have been set up by business. In survey in 1997, conducted by the Social and Rural Research Bureau of 650 randomly selected companies from top 2000 (of there, 13% were MNCs) revealed that most CEOs acknowledge the companies have a social responsibility, only 36% reported some sort of policy, of there only some had policy and person in charge. Nearly 81% provided an account of various activities of corporate social responsibility on India (Gujarat Chambers of Commerce, 1963).

Ranbaxy an Indian MNC (Tata Press, 1986), in the pharmaceutical sector, set up Ranbaxy rural development trust to provide basic healthcare to the underprivileged through mobile healthcare that reaches out the needy in villages and slums. Ranbaxy community healthcare society provides preventative healthcare, social communication immunization, family planning and contraceptive distribution, along with

this Ranbaxy Research Foundation promotes scientific and medical research.

The Mahindra Group of companies encourages education of employee's children by running schools at plant sites. It also support education for all at all levels by providing studentship, loans and scholarships for research students studying overseas, rehabilitation of disabled children, distribution of free books to children in slum and rural areas, and the endowment of the chair for research in nuclear sciences and journalism. The Mahindra Education Trust supports primary education for female children through various NGOs and provides relief work at time of natural disasters and care for cancer patients.

Reliance Ltd. (Puspa, 2000), an Indian petrochemical MNC, has been supporting rural development work, modern healthcare facilities in rural areas, and scholarship for rural children for higher education in cities, and lying of water Pipelines in Jamnagar to improve access to drinking water. Rural development and social work begins with the focus in on health, hygiene and education. The company also provides relief and rehabilitation at times of cyclones, medical care, and mobile healthcare for villagers. Reliance also is the main corporate promoter of the Hyderabad- based Indian School of Business, which has been set up in Academic Association with the Wharton and Kelloggs Schools of the USA.

National Thermal Power Corporation has a conviction of having growth with a human face, and focusing on people-centered development. It is being reported that NTPC is a socially committed organization and a socially responsible corporate citizen.

Sensitive to the social issues since its inception, the organization framed guidelines for the facilities to be given to the project affected. In this regard Resettlement and Rehabilitation program was formulated in 1991 and revised in May 1993.

The Resettlement and Rehabilitation program aims at improving the overall economic status of Project Affected Persons (PAP). This is achieved by providing opportunities in the fields of sustainable income, health, education, sanitation, communication and other such areas. Community development activities are carried out in a transparent and participative manner. Each program is based on the specific local requirement and guided by the extensive Socio-Economic Surveys, which verify that Project Affected Persons improve or at least regain their previous standard of living. The PAP is systematically categorized on the basis like, in resettlement, development alternate free house plot in resettlement colony with necessary infrastructure facilities. Free transport arrangement for belongings and reusable material. Infrastructure to be provided includes primary school, dispensary, panchayat ghar, drinking water, well, hand pumps, roads, drainage, sulabh sauchalaya etc.

And in rehabilitation; land for land, Self-employment such a dairy, poultry, handcraft, shops, Award of petty contracts and Jobs.

Recognizing the importance of sound institutional framework to achieve the desired results NTPC has set up dedicated R&R cells. Along with them professional NGOs, consultants also involved, encouragement has been given for the formation of informal groups, employees, and their families, service groups for the socio-economic development of the areas (Tata Press, 1986).

Haldia Petrochemical Ltd is India's largest integrated naphtha based petrochemical complex. The company has achieved sustainable and profitable growth through delivery of innovative world-class products and services of exceptional value to customers. They also care their customers care of each other and care for the community and environment They take pride in the quality of their products and services, business ethics, to create outstanding value for their shareholders and customers. Regarding Corporate Social Responsibility their focus areas are:

- Social Welfare
- Community development
- Environment
- Occupational health and Safety
- Water management

In the field of social welfare, mass wedding in association with NGO's, Haldia Utsav, (letting creativities flow), Haldia network (putting Haldia on the cultural roadmap) patronizing the local deaf and dumb school and blind school, rehabilitation of evictees, roads, electricity, water bodies, green belt, donations to local schools, distributing computers, and school bags.

In community development, skills development with the assistance of Lokshiksha parishad, Flood relief, Medical aid, financial assistance for local and national sports and cultural events. Posters and drawing contests involving school children of Calcutta theme being "stop littering start recycling" look forward to a dirt-free environment friendly Calcutta. OHS-gaseous emissions minimized with most modern state of the art technology from world-renowned licensors for ensuring health and safety awareness program. Managing Water resource from Rainwater harvesting, domestic use and minor irrigation (Anupama, 2001).

Dr. Reddy's Laboratories in Hyderabad, Andhra Pradesh is an emerging global pharmaceutical company focused on creating and delivering innovative. Health care solutions that enable people to lead healthier live. Dr. Reddy's main focus areas are in education, eliminating child labour and lively hood development. Regarding this Dr. Reddy's Foundation for human and social development established. The foundation is headed by an Executive Director and ably

supported project officers and Research I from Dr. Reddy's lab, UNICEF and UNDP.

Their Child and Police (CAP) project is a unique and innovative joint program of Andhra Pradesh state and Dr. Reddy's foundation for human and social development. The project's vision is to identify and work with children at risk, put them through enriched quality school education and a sustainable livelihood education program that will enable them to fight illiteracy, ill health and poverty. Members of the CAP team visit slums and factories, conducting street-by-street surveys to identify and rehabilitate economically disadvantaged children. Families are then convinced to send their children's to the foundation's Bridge school, where they are put through child-friendly syllabi, 4-8 months later, depending on the age and prior literacy level, they are integrated into the mainstream public education system. Police participation greatly enhances the CAP project in its efforts to get children off the streets and on to a better life.

The livelihood advancement business schools (LABS) are to provide young adults from economically weak backgrounds an opportunity to assimilate into the competitive job market. LABS target youth at risk on and off the street from the economically weakest category and offer formal education, career counseling, personality development, and skill development and apprenticeship opportunities for sustainable livelihoods.

Beside these two projects another program named Tulasi and is aiming to create models, which can be replicated regarding any of these activities (CAP and LABS)

The guiding principles for social responsibility in the TATA group evolve from its rich heritage and traditions of trusteeship as a way to redistribute the wealth created by the industrial society kept aside exclusively for the benefit of people at large. Building on they also increasingly recognize that in modern industrial organizations, the connotation of wealth goes beyond the money donated to charitable cause. "The company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower, resources and continued techniques in keeping with the national aspiration; and the company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community" by J.R.D. Tata to be adopted by the board of TATA companies to reinforce their commitment to social responsibilities made on 14<sup>th</sup> December 1999.

The community is central to the core values we adhere to in the Tata group. Tata community programmes aim at building trust and improving the quality of life. Tata programmes facilitate sustainable change. We believe that community gives us valuable opportunities to learn. Commitment to social responsibility is explicit in every Tata Company.

We network through our core competence to empower communities. Tata volunteers are committed to the spirit of service. "Community development is a well understood objective and important cornerstone of the TATA business philosophy. In fact, it is key element in the TATA business Excellence Model. Therefore, it is incumbent on every Tata Company's management to consider it to be an essential component of its strategic plan towards achieving the company's and the group's objectives. The strategy that each company evolves, needs to be focused on the real needs of the communities in which the company operates and which it seeks to serve. There needs to be a dovetailing of the skills and strengths of the company and its employees with the immediate and longer-term gaps in the overall development of these communities- be they in the field of education, health, environment, civic amenities, infrastructure, family planning, vocational skills etc. Essentially one has to ensure that the strategic economic well being of the community is brought about expeditiously. Our founder's humanitarian objectives of over a century ago need to become strategic to the group today."

Larsen & Toubro Limited is the nucleus of a group of companies with manufacturing complexes, work sites, offices and service outlets at several locations in India. Two Danish engineers, Henning Holck-Larsen and Soren Kristian Toubro, as a partnership firm, founded it in 1938. It offers wide range of products and services. In 2002-03, it generated a turnover of Rs. 10857 crore. Good corporate citizenship has been the underlying concept behind the operations of L&T since it's founding as partnership firm in 1938. More recently, the beliefs of L&T in this respect have been codified in the L&T Vision.

Over the last six decades and more of operations, L&T has endeavored to discharge its social responsibilities to its various constituents like customers, employees, shareholders, vendors, suppliers, subcontractors, government, educational institutions, social service organizations and the public at large through various means. These efforts have been widely recognized in various ways. Below is only an indicative list of its various CSR activities.

In the area of strengthening education, L&T has encouraged the children of employees to seek educational excellence by recognizing their academic achievements through the award of cash incentives. L&T has established its own L&T Institute of technology providing engineering diploma courses for the children of its employees.

In the area of health delivery systems, the company's health center, Mumbai, extends diagnostic and medical facilities to the neighboring community and has done award-winning work in the areas of population control, leprosy and T.B Widespread health facilities to the community are provide at L&T's various cement plants.

Contribution to conservation of environment L&T has done extensive tree plantation in its factory campuses and surrounding areas as well as in cities and towns like Baroda, Surat, Mumbai and Chennai. In the area of alleviating poverty and giving less privileged children a better future, L&T has undertaken rural and tribal welfare schemes in the villages surrounding many of its factories- Hazira in Gujarat, Bangalore, Awarpur in Maharashtra, Hirni in Madhya Pradesh, Tadipatri in Andhra Pradesh, Durgapur in West Bengal, Kovaya in Gujarat, Arakkonam in Tamil Nadu.

In the field disaster relief L&T has prompt in responding to the needs of the nation. The recent earthquake in Gujarat L&T Group of companies donated over Rs 5 crore in cash and kind. Equipment, emergency rations and other supplies for those devastated by the earthquake were also mobilized. L&T had also adopted two villages in Gujarat, Kirai and Nilpar, Rapar taluka of Kutch district for rehabilitation.

Beyond growth and profitability, L&T's mission involves pursuit of business ethics and social responsibility. L&T is acutely aware that it could have done more for the community. But, as a corporate body, it has to get into areas where it could function consistently with its overall business mission and on a sustained basis. It is scanning horizons for greater involvement in community welfare to reinforce its credentials as a good corporate citizen.

For nearly fifty years now, the Aditya Birla Group has been and continues to be involved in meaningful, welfare driven initiatives that distinctively impact the quality of life of a marginalized people, surrounding hundreds of villages near its Plants spread all over India - villages that are among the poorest in India.

The Group believes in the trusteeship concept of management, which entails ploughing back part of its profit into community initiatives. From this stems its social involvement, far beyond business. The Group's projects mirror its moral conscience. They reflect its values. Its community work is a way of telling the people among whom it operates that they are cared for.

The Group's activities are wide and far ranging. Starting from encompassing innovative projects such as providing the rural youth with a chance to shaping their future through economic development schemes, education and training and Health-care projects, reaching out to physically impaired people who are tremendously disadvantaged-all are included in the community development programme. Espousing social causes like widow remarriages, dowry-less marriages, and Women empowerment programmes, also sponsorship of the arts and Indian culture, based largely on a real assessment of the needs of the communities.

The Aditya Birla Group views its Social Responsibility in a much larger perspective, the one that goes beyond philanthropy. They take their social and rural projects very

seriously. Its social vision is an integral part of business vision of all the Group companies (Anupama, 2001).

Having gone through the corporate efforts towards initiating social responsibility in the present-day scenario, we may have an observation, which can find its genesis in the past old days through a kind of historical legacy.

India's experience with corporate responsibility is not new. In its old form, corporate responsibility in India has a concept of corporate philanthropy. This means corporate donations, community investments in trusts, schools, hospital etc. Now the eve of privatization and globalization corporate responsibility becomes an integral part of business strategy. In India as in the rest of the world there is a growing realization that capital markets and corporation are, after all created by society and must therefore serve it, not merely profit from it<sup>16</sup>. Changing global economy is whether corporations operating in less developed countries have a responsibility to promote socio-economy development. Corporation does contribute to development in substantial ways by undertaking their basic activity to generate profits for their shareholders, employees, consumers, and communities and over all society through socio-economic development.

Most conspicuous and consistent among the advocates of corporate social responsibility has been the house of Tatas, Mafatlal, Hindustan, Dr. Reddy's Laboratories, Haldia Petrochemical Ltd, NTPC, The Mahindra, Ranbaxy, Infosys Ltd, Satyam, Aditya Birla Group, L&T etc.

The corporate sector in India is dominated by family firms, not only in terms of overall numbers, but also with respect to representation among the largest companies. Some of the more prominent of the family controlled business houses have a history of corporate philanthropy and involvement in community development dating back to the last century and the early part of this century. These commitments, in most instances instilled by the founder of the firm, have expressed themselves in a wide variety of areas, but especially visible has been support for educational and research institutes, hospitals and health care facilities, cultural and religious societies, recreational and sports programme and disaster relief programmes in many instances these business houses have also been involved in rural development projects especially in areas surroundings large industrial plants.

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