

## Corporate Social Responsibility: Activities in and around Visakhapatnam City

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### ABSTRACT

The paper discusses the scope and principles of corporate social responsibility and its relevance to the present day business. It also explains the importance of private firms and public sector units of Government of India and their role in extending a helping hand in the overall development of the society. The paper also discusses the role of public libraries in augmenting the welfare schemes of the working communities and bridging the 'digital divide' among the various sections of the society. The author describes various initiatives undertaken by the public sector undertakings in and around Visakhapatnam.

**Keywords:** Corporate social responsibility, public sector undertaking, community development

### 1. INTRODUCTION

Corporate social responsibility (CSR) has assumed a lot of importance not only among the Corporates but also among the policy makers because of its long-term benefits. It is but natural that corporates are responsible to the society for their activities and owe a great deal to the environment in which they operate. A company should take a balanced view of the components of corporate social responsibility and implement the strategies in accordance with the company's policies. Developing countries are closely scrutinising the activities of the companies. Even International organisations such as the United Nations (UN) are increasingly trying to develop CSR strategies that encourage both good governance and responsible investment in the developing nations to provide a better quality of life for their citizens.

Corporates play a vital role in shaping the quality of life of the society as a whole in today's globalised economy. According to Nobel Laureate Prof Amartya Sen "Market forces alone are not sufficient for equitable distribution, and some sort of intervention is required, be it political or from business houses, towards society".

### 2. CORPORATE SOCIAL RESPONSIBILITY-AN OVERVIEW

The European Union defines CSR as a concept that an enterprise is accountable for its impact on all relevant stake-holders. It is the continuous commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families

as well as the local community and the society at large. In broader terms, CSR means a collection of policies, programs and practices evolved, adopted and followed by a company that is based on certain values, including respect for people, concern for the communities, and care for the environment.

The CSR covers various issues, like, human rights, working conditions, equity, diversity, consumer protection, environment and health impacts, economic development, ethical business practices, etc. Today, companies are increasingly adopting socially responsible practices because of their long-term benefits. Some of the possible benefits are:

Creating and maintaining a high reputation;

- Securing strong relationship with stake holders;
- Creating a better, safer and more stimulating work culture;
- Improving business management efficiency;
- Protecting from boycott actions;
- Making access to funding easier;
- Benefiting from fiscal advantages and administrative facilitation; and
- Reducing enterprise risk.

### 3. OBJECTIVES

When corporates take up CSR, they generally look in for the following objectives.

- To be a member of Global Compact Forum and subscribe to its principles

- To initiate voluntary measures addressing social and environmental concerns of stakeholders
- To make CSR a key business process for sustainable development
- To be a good corporate citizen.

#### **4. SCOPE**

The CSR will include socio-economic, environmental, and cultural upliftment activities other than those statutory in nature and also welfare activities meant for employees. The focus will be on the following areas related to the community:

- Environmental care
- Education
- Health care
- People care
- Peripheral development
- Cultural efflorescence
- Activities as a responsible corporate citizen,
- To extend help during natural calamities like floods, fire, epidemic, etc.

#### **5. AREAS OF FOCUS**

##### **5.1 Education, Promotion of Literacy**

- Total literacy
- Promotion of specific literacy projects
- Promotion of literacy amongst residents of RH colonies and nearby villages
- Specific support to tribal students in agency areas, in mines areas of VSP by distribution of bags, reading materials and grant of scholarships etc.

##### **5.2 Promotion of Girl Child Education**

- Awareness programmes on girl child education in RH colonies and nearby villages through road shows, drama/skit or street play, etc.
- Introduction of scholarships for girl students in ZP/ Govt. Schools in surrounding areas of VSP
- Counseling of parents
- Girl child education to be a theme in VSP's calendars/ advertisement materials.

##### **5.3 Education, Training and Rehabilitation of Mentally and Physically Challenged Children/Persons**

- Setting up/ sponsoring special schools, training institutions for mentally-challenged children/ persons.
- Providing infrastructure facilities/equipments.

- Grants/contributions
- Gainful employment opportunities for rehabilitation.

#### **5.4 Promotion of Professional Education**

- Promotion/support for professional education by setting up of educational institutions offering courses in Engineering, Medicine, Management, etc.

#### **5.5 Improving the Quality Education in Schools in and around Visakhapatnam**

- Introduction of scholarships for good and deserving students
- Constitution of educational committee to continuously monitor and offer suggestions etc., to the schools for CSR
- Improving the education and career development of the students
- Conducting inter-school competitions both in academic and extra-curricular activities
- Promotion and sustaining high quality learning ambience in schools located in premises of VSP
- Promoting the image of the company by introducing Vizag Steel Merit scholarships for deserving candidates studying in reputed educational institutional like IITs, IIMs, IISc, and other such institutions.

#### **6. PSUS IN GOVT AND PRIVATE SECTOR IN AND AROUND VISAKHAPATNAM**

Rashtriya Ispath Nigam Limited (RINL), Visakhapatnam Steel Plant (VSP), Bharat Heavy Plates and Vessels, NTPC, Visakhapatnam Port Trust, Hindustan Shipyard Ltd., Indian Navy, Naval Dockyard, HPCL, Indian Oil Corporation Ltd, Dredging Corporation of India Ltd, MMTC, VUDA and SAIL in government sector; and LG Polymers, ESSAR Steel, JINDAL, Hindustan Zinc, CMR, etc., belong to private sector in Visakhapatnam district. FACOR, GMRVRF are private sector units present in the nearby Visianagaram and Srikakulam districts.

#### **7. PUBLIC LIBRARIES NEEDING ASSISTANCE**

Around 71 branch libraries under the Zilla Granthalaya Samsatha located in Visakhapatnam district, need some assistance. If each public sector unit can extend funds to atleast 5 libraries in the surrounding areas near to them for establishing infrastructure facilities and internet facility, they will be doing a great service to the community through CSR. Public libraries are one powerful agent for impacting the knowledge and skill sets of local people. Such an initiative can also support the mission of the recently formed NSDC.

**8. NGO-MANAGED LIBRARIES**

- Visakha Public Library, Visakhapatnam
- Hindu Reading room, Visakhapatnam
- NGOs Club, Visakhapatnam
- Club technicians, Visakhapatnam
- Madhav Yuvajana Samajam, Madhavadhara, Visakhapatnam
- Sree Ganapathy Seva Samithi Granthalayam, Visakhapatnam
- Gurajada Granthalayam, Visakhapatnam
- Gowtama Buddha Granthalayam, Gajuwaka
- Saradha Granthalayam, Anakapalli
- Gouri Granthalayam, Anakapalli
- Lakshmi Grandalayam, Anakapalli
- Grameena Yuvajana Mandiram, Munaga Paka
- Goutham Patana Mandiram, Munaga paka
- Gowri Womens Library, Anakapalle.

The above NGO-managed libraries are starving for some assistance and each corporate company can adopt at least two libraries in their surrounding areas for development. Further, corporates can also think of establishing new local libraries in these rural areas with a population of 500 to 1000 near the company's plant. This will help in improvement of literacy rate which in turn can contribute in many ways finally leading to the growth of GDP of the nation.

**9. BUDGET ALLOCATION**

Upto 2 per cent of the distributable profit (net profit after tax minus accumulated losses, if any carried forward) of the company of the previous year may be considered as the budget for CSR activities.

**10. CSR INITIATIVES OF VISAKHAPATNAM STEEL PLANT (RINL)**

- (a) In terms of the RINL CSR policy, the APEX committee may decide on case-by-case basis.
- (b) The committee can decide taking up projects of up to a specified limit. Above this limit it needs to be approved by the board.
- (c) The APEX committee will be assisted by Personnel (Welfare and CSR) Department in formulating the guidelines and its implementation. They will be putting up periodical reports on progress of implementation of CSR projects to the management.
- (d) RINL/VSP is taking keen interest on CSR and developing so many NGO Libraries in and around Visakhapatnam.

- (e) RINL has given a substantial grant to Visakha Public Library, Visakhapatnam for the construction of building.
- (f) RINL has constructed a building in Peda Gantyada RH colony especially for library and provided infrastructure facilities and books to the library.
- (g) RINL is providing books to various school libraries and community welfare centres in and around Visakhapatnam.
- (h) RINL is providing various facilities like education, sports, peripheral development, health and safety to RH colonies of VSP.
- (i) Some of the mega projects where RINL has contributed are the Gurukul Vidyalaya at Andhra University; water scheme for the tribal areas; state of the art operation theaters for the Shanker Nethralaya; school for the differently challenged people; satellite type blood bank, etc.

**11. CSR INITIATIVES OF POWER GRID CORPORATION OF INDIA**

Under CSR, the Power Grid Corporation of India has donated 25 computers with peripherals, computer tables and chairs, etc., to the computer laboratory of Bhagavatula Charitable Trust (BCT) at the Model High School BCT-Farm Complex at Rambilli Mandal in the district.

The corporation also donated books, steel cupboards, tables and chairs. It has also donated 25 sewing machines and computerised machines for embroidery work, etc.

**12. CSR INITIATIVES OF APMDC AND GMRVF**

Currently, some Indian companies spend only three to five per cent of their profits towards CSR programmes. The Andhra Pradesh Mineral Development Corporation Ltd. (APMDC) has decided to spend considerable amount of its profits on higher education of tribal people in Utnoor agency area of Adilabad dist. The Utnoor Integrated Tribal Development Agency (ITDA) project officer has been entrusted with the responsibility of ensuring higher education to tribal people in the area.

The GMR Varalakshmi Foundation (GMRVF) is the CSR arm of the GMR Group of companies. Its mandate is to develop social infrastructure and enhance the quality of life of communities around the locations where the Group has a presence. The Foundation is a Section 25 (not-for-profit) company.

It has its own professional staff drawn from top academic and social work institutions. It is governed by a Board chaired by Group Chairman, GMR Group. Education is the main area it is supporting.

### 13. CONCLUSIONS

Corporate social responsibility (CSR) is about how a company manages its business process to produce an overall positive impact on society. A responsible corporate citizen must cater proactively to majority stakeholders, if not all. Thus, the companies in India have a long way to go to become a good corporate citizen by world standards. Since Visakhapatnam is an expanding industrial hub with the growing presence of both public and private sector industries in line with its status of 'the city of destiny' these industries can contribute a lot to the welfare of its working community and society at large through CSR. Another line of thinking can be that of developing the surrounding area of Visakhapatnam with the concerted efforts of all well meaning organisations in the area. When such focused efforts are made the results are bound to be better by an order of magnitude. To share and improve upon the best practices followed by different organisations, frequent workshops may be planned.

Earlier one such initiative was taken by Vizag Steel in association with the Indian Society for Training and Development (ISTD). This was found to be highly informative and useful. A new dimension that evolved during the workshop was to also share the failure stories of CSR initiatives which would have lot of learning value. Organisations desirous of intensifying their CSR efforts would do well to refer the recent guidelines issued on the subject by DPE, Government of India. With such initiatives all organisations in a local area may come together in the form of clusters and make a meaningful impact

in the lives of the not so well privileged brothers and sisters of the neighbourhood.

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### About the Author

**Dr Y. Manohar** has 38 years of experience in the public sector steel industry (SAIL, Vizag Steel) in the areas of training & development, corporate HRD, and marketing. He is qualified assessor for CII-Exim Bank Award for Business Excellence, qualified lead assessor for ISO 9000 Systems and internal consultant for TQM implementation. He has the distinction of introducing modern HR practices such as PMS, role & goal setting, six sigma, and TQM, etc. He has published 31 papers in different disciplines. He was awarded '*Indira Super Achiever Award*' and is the 1<sup>st</sup> recipient of such award from PSUs in India; the '*Vishal Bharati Gaurav Awards*' from Delhi Telugu Academy for Excellence in HE field, and the 'Most Powerful HR Professionals of India' by World HRD Congress 2010.