



CORPORATE SOCIAL RESPONSIBILITY A TOOL FOR ECONOMIC DEVELOPMENT: IN THE CONTEXT OF TELECOM INDUSTRY IN INDIA

Dr. R. Prakash Babu* & S. Shantim** C. Padma ***

Absract

The concern of social responsibility of business firm has passed through several stages of development. At first it was merely a philanthropic act and later became corporate social responsibility and is now corporate citizenship. Though all the concerns of social responsibility are projected as a social welfare initiative, they also carry a profit motive which may not yield results in the short run, but would definitely do so in the long run. This paper discusses the corporate social responsibility initiatives taken by some of the giants in telecom industry in India. It focuses on the impact of corporate social responsibility on the organization and the society. It further explains the active role played by the organizations in the economic development. It can be concluded that all of the three mobile telecommunication companies in India discussed have high initiative in CSR activities with several constructive motives.

Key words: Telecom Industry, Corporate Social Responsibilities.

1. Introduction

Corporate Social Responsibility (CSR) is emerging as a new field in the management research and also considered as a noteworthy concept in a country like India, where rural mass comprises maximum population. No doubt, vast majorities of the India's poorest people lives in villages and these villages are in a state of neglect and underdevelopment with majority below poverty line. The problems of hunger, ignorance, ill health, high mortality and illiteracy are most severe in rural areas. This is not only because of shortage of

*Associate Professor & Research Advisor, Department of Commerce, A.v.v.m Sri Pushpam College, Poondi, Thanjavur, Tamilnadu, India. Email : Baburprakash11@gmail.com.

**Ph.d Research Scholar, A.V.V.M Sri Pushpam College, Poondi, Thanjavur, Tamilnadu, India,
E- mail:nmsjaya@gmail.com

***Ph.D Research Scholar, A.V.V.M Sri Pushpam College, Poondi, Thanjavur, Tamilnadu, India.



material resources but also because of defects in our planning process and investment pattern. India has the potential to meet these challenges and eradicate paucity in rural area. However, the efforts of Governments may not be adequate to provide basic services to all its citizens, but also needs the helping hands of mammoth corporate in the country. It becomes essential on their part to join the government for the upliftment of the nation; after all it is this realm where they have achieved all success and prosperity. It is being increasingly recognized that progress and welfare of a society is not only the responsibility of the Government alone, but many more stakeholders need to be involved to attain the development goal. In India, many firms have taken the initiatives of CSR practices which have met with varying needs of the society and have benefited them a lot. As commonly understood, Corporate Social Responsibility (CSR) means the benevolent activities of the corporate bodies which will bring about the overall betterment of the mass people in the society and plays a key role to contribute in the macro economy of the country Sarker, M. F. H. (2012). For this reason, CSR has been accepted as a means of major business ethics and corporate organizations are trying to contribute to the society in accordance with their CSR policies. In this perspective, CSR concept has a promising humane future as it addresses and captures the most important concerns of the community regarding business and society relationships Carroll, A. B. (1999). By social responsibility, we mean a doctrine that claims that an entity whether it is state, government, corporation, organization or individual has a responsibility towards its society. Through CSR activities corporate bodies share their profit and maintain their social commitment, since a corporate flourishes in a society where it is satisfied with all sorts of its wants. Corporate Sectors have a key role in the socio-economic development of any country. United Nations and the European Commission state that, Corporate Social Responsibility (CSR) leads to triple bottom-line: profits, protection of environment and fight for social justice.

In KPMG's International Survey of Corporate (Social) Responsibility Reporting 2005, which surveyed more than 1,600 companies worldwide and documented the top ten motivators

driving corporations to engage in CSR for competitive reasons, the following emerged:

➤ Economic considerations



- Ethical considerations
- Innovation and learning
- Employee motivation
- Risk management or risk reduction
- Access to capital or increased shareholder value
- Reputation or brand
- Market position or share
- Strengthened supplier relationships
- Cost savings

The report concluded that by creatively responding to these market forces, and others generated by the CSR movement, organizations can reap considerable benefits.

Theoretical Concept of Corporate Social Responsibility

The main aim of Corporate Social Responsibility is to embrace responsibility for the company's actions and promote a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the civic. The term "corporate social responsibility" came into common use in the late 1960s and early 1970s as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984. After 1960s, the literature on CSR developed considerably and it was defined in a new concept of social responsibility which recognizes the relationships between the business and the society by comprehending that such relationships must be kept in mind by the top managers as the corporation and the related groups for the overall betterment of the society Carroll, A. B. (1999). Recently corporate social responsibility movement represents a broad concern with business's role in sustaining and improving the communal order, Business Line (2010) which often means an implementation of 'a innovative consciousness' for ensuring corporate responses of corporate business. Backman (1975) suggests that CSR should comprise such proceedings as “employment of minority groups, reduction of pollution, greater participation in programs to improve the community, improved medical care, improved industrial health and safety-these and other programs designed to improve the quality of life are covered by the umbrella of social responsibility”. Llewellyn (2007) argues that CSR may result in corporations obtaining a more powerful position within society. She suggests that it is



native to expect corporations to accept greater social responsibilities without requiring something in return. India, the second most populous country in the world and home to the largest number of people is in need of basic amenities, needs more intensive efforts on part of CSR covering the rural mass of the country for an unvarying development. The European Union's Green paper on CSR defined CSR as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” A very popular **definition of CSR by Lord Holmes and Richard Watts** in the World Business Council for Sustainable Development's publication 'Making Good Business Sense'.....the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”. The World Business Council for Sustainable Development (WBCSD) defines CSR as “The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large”.

Corporate Social Responsibility Among Indian Companies

Corporate social responsibility (CSR) is an important function to accelerate the process of overall development and nation-building. After the introduction of LPG in 1990's the agenda of most of the companies included the concept of CSR in its policy and strategy implementation. The need to engage in responsible practices is led by an intense desire to contribute positively towards the three pillars of sustainability and CSR – Social, Economic and Environmental. India has the world's richest tradition of CSR which mainly focuses on two aspects - philanthropic activities and community development for National growth. In our country CSR is not a new phenomenon. This concept motivates organizations to think broadly towards society in which they function rather than just achieving their goal of profit maximization. In India both public and private companies are stepped into the activity of CSR, which not only uplifts the standard of the people but also contributes towards economic development of the nation. Some of the organizations are Tata, Reliance, BSNL, ONGC, Airtel etc. The models of CSR indicated in table below existed in the Indian scenario concurrently where business firms followed all the approaches. At present the



firms have adopted multi-stakeholder approach actively and accepted and implemented the micro approach of CSR. Top companies involved in CSR activities are Tata steels. Mahindra Groups, Tata motors, Siemens, Larsen & Tubro, Steel Authority of India and Infosys.

Important CSR models

Model	Focus	Champions
Ethical	Voluntary commitment of companies to public Welfare	M K Gandhi
Statist	State ownership and legal requirements determined corporate responsibilities	Jawaharlal Nehru
Liberal	Corporate responsibilities limited to private owners	Milton Friedman and Theodore Levitt
Stakeholders	Companies respond to the needs of stakeholders- Consumers, employees, communities , etc.	R. Edward Freeman, Robert Ackerman and Archie B Carroll

Csr Practices by Some Telecom Giants in India

Advent of mobile telecommunication in India arising from deregulation and liberalization of the economy in 1991, the Global System for Mobile Communication (GSM) industry have been responsible for the employment of millions of citizens, either as distributors or retailers of GSM phones, recharge card sellers or GSM phone repairers which in turn contribute maximum profit. As per Section 135 of the companies Act of 2013, Indian companies are now expected to discharge their stakeholder responsibilities and societal obligations, along with their shareholder-wealth maximization goal. In India as in the rest of the world there is a growing realization that business cannot succeed in a society which fails. An ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status. A number of companies in the country are at present offering their CSR activities towards its growth and development in fields like livelihood, health, education, environment and infrastructure.

Bharathi Airtel

Bharti Airtel believes that business success is not an end in itself; rather it is a means to achieve higher socio-economic goals. The Company is committed to its stakeholders to



conduct its business in a responsible manner. To ensure inclusive growth and impact society in a positive way, the Company undertook several initiatives since 2010-11 in the social welfare space while strengthening existing projects. Some of the achievements are in the following fields:

Education

Bharti Foundation is the philanthropic arm of Bharti Enterprises and was set up in the year 2000 to help underprivileged children and young people realize their potential. At present there are more than 33000 children studying.

	Establishment	Reason
Bharti foundation	2000	To help underprivileged
Satya Bharti School	2006 253(Numbers)	To provide quality education to poor children at free of cost in rural with focus on girl child 186-Primary-inculcates fundamentals in child 62-Elementary 5-Senior secondary-training for steady vocation

Employee Philanthropy Program

ACT – A Caring Touch is an employee philanthropy initiative that provides Bharti Group employees a platform to contribute to any charity of their choice in terms of time, skills, knowledge or money. Under ACT, each monetary donation is matched equally by the respective Group Companies. In Financial year 2011-12, of the 15.85 million contribution made towards the Satya Bharti School Program, 8.8 million were contributed by the employees of Bharti Airtel Limited.

Airtel Africa's School Initiative

Airtel Africa has adopted at least one primary school in each of the 17 African countries. The CSR team has worked to improve the quality of education provided in the rural areas, to underprivileged children, working hand in hand with the governments in these countries. The team has been successful in the projects, having touched the lives of over 11,500 primary schoolchildren through the identified 20 schools



Health, Safety And Environment

Bharti Airtel follows a comprehensive Health, Safety and Environment Management policy to maintain safe and incidence-free work places .Periodic trainings in first aid, heart care (CPR), Fire-fighting and emergency management are provided to employees.

Disaster Relief And Support

In August, 2011, when floods hit Assam bringing life to a standstill, employees of Airtel NESAC circle helped the affected people by providing food packets and clothes through their Flood Relief initiative. Last year, Villupuram and Cudaloor districts in the central zone of Tamil Nadu were badly affected by the rainfall; they all were helped by the Bharti Airtel employees in the same way.

Farmer's Welfare

Bharti Airtel takes advantage of its vast presence in India to reach out to farmers. It provides them with vital information on weather, mandiprices, agronomy, horticulture, forestry, government schemes, etc, through its joint venture with IFFCO - IFFCO Kisan Sanchar Limited

(IKSL) .they has a strong association with NABARD (National Bank for Agriculture and Rural Development) in many states to drive various programs for farmer welfare. These include providing financial literacy to farmers in Gujarat, enhancing crop productivity in certain districts of Haryana & Odisha and reaching out to farmers in the water shed areas in Karnataka.

Green Initiatives

Plantation of trees and awareness created to local communities to safeguard against Global warming and deforestation.

Programme GOOD (Get out of Diesel)

To reduce diesel consumption they have pursued programme 'GOOD' during the year. Under this programme, **500 sites in Bihar have been taken up for Solar PV** technological interventions.

E-Bills- Minimal use of paper

Sending e-bills to post-paid customers has been a huge success. **Today over 2 Million e-**



bills are being sent per month. This has significantly contributed towards their “go-green” drive and save 24,000 trees annually

Energy Reducing Initiatives

Installation of Solar Hot Water Generators and Lighting Energy Savers to reduce energy consumption by 10-25%. Save Energy” drive and “Earth Hour” contributes to various means of saving electricity by adopting alternate means of commuting, switching off unnecessary lights and non-essential equipment.

Bharat Sanchar Nigam Limited

Employee's Welfare Activities;

BSNL Provides a wide range of welfare programs focused on the employees' welfare and is continuously implemented by the Staff Welfare Board of the Company. Bharat Sanchar Sarathy and Sanchar Seva Padak awards to employees for their meritorious service in the field of telecommunications. Corporate Group Life Insurance Policy: This is intended to cover nearly 3,50,000 employees. The policy includes life insurance component, which provides cover against natural death, a double accident benefit besides retirement benefits.

Assistance during natural calamities:

After the great disaster of the Tsunami in the Indian coastal areas, the company helped restore the communication networks in the worst-hit areas of Tamil Nadu, Kerala and the Andaman and Nicobar Islands - within a short time. BSNL and its employees contributed Rs. 2,207 lakhs to the Prime Minister's Relief Fund. BSNL also restored telephone services in record time in the flood-hit areas of Gujarat and Maharashtra. BSNL aims to provide universal service to all uncovered areas, including the rural areas and also. Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country. Availability of affordable and effective communications for the citizens is at the core of the CSR vision at BSNL.

Rural Broadband Plan:

Bharat Sanchar Nigam Limited does not have any direct subsidy schemes programmes for public. However, BSNL, is the only service provider offering rural telephony as part of its social responsibility. BSNL plans to provide broadband to 20,000 villages that are already connected through optical fiber. With government support to provide broadband to all gram



panchayats, secondary and higher secondary schools and public healthcare centers by end of 2007. BSNL is offering concessional tariff for rural subscribers by providing lower rental and higher free calls as compared to urban area subscribers. As part of corporate social responsibility, BSNL, in its maiden launch in Rajasthan distributed free mobile handsets and SIM cards for six months to 1000 members of BPL families at a cost of 12.85 lacs. Donated computer with free unlimited broadband to Physically Challenged students of the Special Government School at a cost of Rs 1 lakhs for their usage.

Reliance Industries Limited

Social welfare and community development is at the core of Reliance's, Corporate Social Responsibility (CSR) philosophy continues to be a top priority for the Company. It revolves around the Company's deeply-held belief in the principle of symbiotic relationship with the local communities, recognizing that business ultimately has a purpose - to serve human needs.

Reliance's contributions to the community in the area of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools etc.), environment (effluent treatment, tree plantation, treatment of hazardous waste), relief and assistance in the event of a natural disaster, and miscellaneous activities.

Dhirubhai Ambani Foundation (DAF) was established in 1995 by Shri Dhirubhai Ambani, the Patron Trustee of the Foundation. A public charitable trust registered under the Bombay Public Trusts Act, 1950, DAF has for its objectives a broad spectrum of worthy causes ranging from health and environment, to promotion of social and economic welfare, and rural development.

1 Education

Teach them young' is the very motto of Reliance as the Company believes that the quality of inputs received by an individual at an early age contributes to his or her growth as a capable human being.

Various programs undertaken:

- I "Sky is the limit" is to study the problem of school drop-outs in the local community.
Training of teachers in various subjects.
- II Provides good quality education to the children of all employees and also cater to the needs of surrounding villages.



III Executive Development Programs.

IV. Provides opportunities to engineering and management institute.

Schools operated by the company

V. Jamnaben Hirachand Ambani School

VI. Kokilaben Dhirubhai Ambani Vidya Mandir

VII. Jamnaben Hirachand Ambani Saraswati Vidya Mandir

VIII. Barabanki Manufacturing Division -Renovated a primary school in an adjoining village.

IX. Hoshiarpur Manufacturing Division -Provides free uniform (winter and summer), books, bags, shoes and stationery to the school-going children of neighboring village.

X. A new primary school building at *Navagam* was constructed and repairing of some village schools was taken up by the concern.

Health

Health Awareness Programs, covering diverse topics such as noise pollution, hazards substance abuse, prevention of HIV/AIDS and First Aid are conducted for students of schools. It conducts monthly checkup camps, free ambulance service to roadside accident victims, medical service and awareness programs on health, hygiene, cleanliness and sanitation in neighboring villages on regular basis. Reliance's initiative to combat HIV / AIDS has been recognized by UNAID, World Bank and other national and international institutions. Dhirubhai Ambani Foundation (DAF) and *Sir Hurkisonadas Nurrotumdas Hospital and Research Centre (HNHRC)* a charitable hospital as performed many surgeries in the field such as Urosurgery and Cardiac surgery at free and subsidized cost to the poor people.

Community Development

Jamnagar Manufacturing Division- Extends helping hand to surrounding villages and the community at large. It focuses on improving village infrastructure, supply of drinking water, education support etc. Construction of a public lavatory, water tank and *avedo* (common drinking water facility for villagers)



Empowerment of Women and Youth

Reliance conducts many training programmes, which help the rural women and youth to be self sustaining and generate income for them and support their families. The training programmes conducted for the rural women and youth of surrounding villages of Vadodara Manufacturing Division are: 1) Women Empowerment, 2) Dress making & Designing, 3) Beauty Culture & Healthcare, 4) Hospital attendant (Helpers for Hospital & Nursing Homes), 5) Plumbing & Hand Pump repairing raining, 6) Computer Hardware, 7) Motor Vehicle Driving, Mobile Repairing etc.

Eco-friendly Initiatives

Creates livelihood

Reliance is indirectly providing livelihood to around 200,000 individuals by recycling of bottles. This business has transformed lives of those at the bottom of the pyramid.

Polyethylene (PE) Biogas Domes for Renewable Energy Source

The Company has developed a 100 per cent leak-proof Rotomolded PE Dome, which gives end-users a unique combination of properties like good strength, stiffness, light weight, seamless construction, ease of installation and very little maintenance. The PE-based dome developed by Reliance has been approved by the Ministry of New and Renewable Energy, Government of India.

Packaging solution to farmers (Leno bags)

Many awareness programmes has been organised on improved packaging solutions for potato and other vegetables for farmers all over India. This includes Leno bags, which are more durable, functionally more efficient and cheaper than traditional materials. This programme helps the farmers to reduce the cost of packaging. These bags also helped farmers to reduce wastage while keeping in cold storage. The Company's efforts helped the farmers to improve their earnings. The programme covered more than 10,000 farmers across India.



Suggestions

- To create awareness about CSR amongst the general public to make CSR initiatives more effective.
- All the corporate are following the same trend of CSR activities it can be further diversified in the areas of research, profession and technical lines.
- CSR activities relating to employment, placement and hiring can be concentrated.
- Role of PSU'S is to be raised so that they set an example for private undertakings.
- CSR Activities by all the corporate can be centralized for balanced and equal distribution.
- Partnerships between the Government and other interested corporate groups can be initiated for huge investment on assets.
- Extension of CSR initiatives/activities to small and medium corporate houses, so as to motivate them also.

8. Conclusion

The utility of any CSR program as a tool for development could be judged if the impact, feedback and monitoring system are good, because on the extent of resource utilization would help in further effective allocation. To conclude, the telecom giants are suggested to implement CSR initiatives on a large scale for a balanced regional development. Companies should target those areas of social concern which required immediate attention in a particular society. We have looked into various areas of the corporate for investing in CSR activities, one thing which one could notice is that all their undertakings are similar to one another thus improving the reputation of the concern and uplifting the economy thus CSR is becoming an important research issue in the forthcoming years to come. The study suggests that a real sharing of revenue earned from telecom industries through CSR activities may contribute towards a more livable, sustainable and equitable society.



References

- I. Sarker, M. F. H. (2012). Corporate social responsibility of private banks in Bangladesh: Expectations, achievements and challenges. *Journal of Public Administration and Governance*, 2(1), 178-187.
- II. Carroll, A. B. (1999). Corporate social responsibility. *Business & Society*, 38(3), 268-295.
- III. Business Line, Business Daily from THE HINDU group of publications, Wednesday, Jun 23, 2010.
- IV. Walton, C. C. (1967). *Corporate social responsibilities*. Belmont, CA: Wadsworth.
- V. Backman, J. (1975) *Social responsibility and accountability*. New York: New York University Press.
- VI. Llewellyn, S. (2007). Meeting responsibilities 'on the stage' and claiming rights 'behind the scenes': the re-casting of companies. In: Carter C., Clegg S., Kornberger M., Laske S., Messner M., (eds.) *Business ethics as practice*. Cheltenham: Edward Elgar; P. 128–49
- VII. Sivasankar Tripathy (2007), CSR : Journal of corporate governance.
- VIII.A.K.Sharma & Rupal Tyagi (2010), CSR & Global compact : The Indian Prospective Journal of corporate governance.
- IX. Subhasis Roy (2004) CSR : Cases ICFAI book .
- X. Backman, J. (1975) *Social responsibility and accountability*. New York: New York University Press.
- XI. CSR in India – perspectives for business May 2007
- XII. Annual report of RIL.
- XIII.P. Cappelli, H. Singh, J. Singh, & M. Useem, The India Way, Academy of Management Perspectives, 24, 2, May 2010, page 6-24. [7].
- IVX.Trust and Corporate Social responsibility: Lessons from India by Ashwani Singla, Chief Executive Officer, & Prema Sagar, Founder & Principal, Genesis Public Relations Pvt. Ltd.

Websites

www.airtel.com

www.reliance.com

www.bsnl.com

<http://www.ril.com/rporta>

<http://www.ril.com/>