

Corporate Social Responsibility as a Change Agent on Livelihoods: A Case Study of “Grasim Industries Limited” in Ganjam District State of Odisha

Dr. Jyoti Prakash Mohanty*
Rabindra Mohanty**

Introduction

Corporate Social Responsibility refers to the management of business and society. According to which business firms take care of the society and environment as their social responsibility. The society pay the price in terms of pollution and other difficulties for business to run smoothly. Even the human society suffered with a number of new diseases because of the environmental changes coming because of the industrial pollution. However, in the present era companies are using as most of a business strategy to take competitive advantage over others as well as to enhance the profit to the companies. A properly executed CSR concept can result as huge competitive advantages, such as better access to capital and markets, boosted sales and profits, operational cost reserves, enhanced productivity and quality, competent human resource, value-added and status, improved customer loyalty, enhanced decision-making and risk management processes. The CSR can be understood as a responsibility of business wherein the business not only takes care of the internal stakeholder (i.e., Shareholders, Workers) but also the external stakeholder (i.e., society, nature) as well.

Grasim Industries Limited, Chemical Division, Ganjam a group of Aditya Birla has been operating in Ganjam since 2015 after taking over the industry from Jayshree Chemical. CSR has always been an opportunity for company to engage with different stakeholders, principally citizen of peripheral communities, to share with them growth benefits of company aiming at improving their quality of life. Grasim Industries Limited believe that when they set up their business and operate within a particular

* Dy. CEO, ORMAS, Ganjam, Odisha, India.

** DGM, CSR, Grasim Industries Ltd., Ganjam, Odisha, India.

geography, they become part of that society and that ecosystem. For their business to sustain, it is essential for them to sustain that ecosystem and ensure the equitable growth of the peripheral communities. That has a close connection to local people on company's own growth.

The programme aims to develop the skills and abilities of people in companies programme areas to enable them to be employable or have additional sources of income for their families. The Company has reached out to more than 1000 direct beneficiaries in the programme of Livelihood Training during 2019-20.

Literature Review

Since the times of the barter system to present era of plastic money, the mankind has stridden out long path. There is no doubt in this that "profitability" has always been the primary force and main motivation behind all this development. This motive actually increased cut throat competition between the business forms. Because of this competition, the companies started exploiting the quality of product as well as the environmental concern. Slowly and gradually the business houses realized that they have to give back to the society because they are surviving because of the society only. This realization gives the birth to the concept of Corporate Social Responsibility. However, the companies started using this concept for brand building more than delivering it as a responsibility to society.

Corporate social responsibility generates direct and indirect business benefits and advantages to the corporation that adopt it (Bueble, 2009). In synthesis, the benefits and advantages that corporations adopting Corporate social responsibility initiatives may obtain the following (Campbell, 2007)

- Increased employee loyalty and retention.
- Gaining legitimacy and access to market.
- Less litigation
- Increased quality of products and services
- Bolstering public image and reputation and enhanced brand value.
- Less volatile stock value.
- Avoiding state regulation.
- Increase customer loyalty.

The concept of corporate social responsibility have been a matter of debate and criticism since its beginning. In the year 1970 and year 1980, the convergence of a number of economic forces led some scholars to reexamine the notion of corporate social responsibility. The current wave of interest in CSR dates from the early 1990. In many ways, it is only the latest manifestation of a long standing debate over the relationship between business and society. Since the rise of the corporation in its modern form in the late nineteenth century, this debate has ebbed and flowed, through

periods when corporations extend their control and periods in which society attempts to regulate the growth of corporate power and corporations attempt to re-establish their legitimacy in the face of public criticism. In a nutshell CSR can be defined as operating a business in manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Further the Corporate citizenship, which is based on the principle that corporations are considered as a citizen, thus it used in the meaning of corporate social responsibility. The second National Summit on Corporate Social Responsibility, 2008 was held in New Delhi, it was organized by the confederation of Indian Industry in Collaboration with the ministry of corporate affairs and adopted the theme of the new business model, engaging society, enhancing competitiveness. The representative of the governments, Industry NGOs and the Civil Society deliberated upon wide range of issues in the summit.

CSR: The Indian Scenario

Though, India is one of the fastest growing economics, socio-economic problems like poverty, illiteracy, lack of health care etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for business to contribute towards social development. Many Indian Business houses, private sector and public sector companies have undertaken major initiative till date and have adopted several modes of practice related to CSR in India. Several innovative measures have also been adopted by companies towards the institutionalization of CSR that includes CSR initiatives by MCL, NALCO, TATA GROUP, ADITYA BIRLA GROUP, BPCL, HPC LTD, NIIT, TCS, LUPIN, CIPLA, VEDANTA, ITC, BHEL, HLL, HINDUSTAN LEVER LTD, ONGC & NTPC.

Objectives of the Study

- Understanding of Corporate Social Responsibility and its need.
- To study the CSR Programmes on livelihoods promotion in Ganjam district of Odisha by Grasim Industries Limited, Chemical division.

Research Methodology

The data for the study has been derived from both primary and secondary source. Primary source includes the opinions of the local SHG members which were collected through questionnaire and interview. Secondary sources like company law books, Grasim's Annual Report, Journals, News Papers. The study is confined only CSR project on livelihood promotion by Grasim's Chemical division of Ganjam district of the State of Odisha.

CSR: A Conceptual Meaning

CSR is the responsibilities that corporations have to the societies within which they are based and operate. More specifically, CSR involves a business identifying its stakeholder groups and incorporating their needs and values within the strategic and

day to day decision making process. Therefore, a business within which it operates which defines the number of stake holders to which the organization has a responsibility may be broad or narrow depending on the industry in which the firm operates and its perspective.

Component of CSR

Community Involvement

It refers to a wide range of actions taken by companies to maximize the impacts of their spending, time products, services for the welfare of community at large.

Human Rights

The business practices can profoundly affect the rights and dignity of employees and communities. The main focus is on developing work place free from discriminations where creativity and learning can flourish decent codes of profession conduct and where a proper balance can be created.

Labour Security

It includes freedom of association and the effective recognition of the right to collective bargaining the eliminations of all forms of forced and compulsory labour, the effective abolition of child labour and the eliminations of discrimination in respect of employment and occupation.

Business Standard

It covers a broad area of corporate activist such as ethics, financial return and environment protections.

Environment Protection

The environmental issues have been global concerns thus the corporate sector also focuses on finding sustainable solutions for natural resources and to reduce companies impact on environment.

Education and Leadership Development

As education is one of the key elements of sustainable development and pro-poor growth, business, working together with public sector and civil society can make an important contribution in providing access to quality education for all further companies can also make more critical impact on the development process by raising standards on corporate education and leadership development.

Legal awareness of Corporate Social Responsibility

- The companies bill mandate CSR (Corporate Social Responsibility), it also provides a frame work within which listed companies will have to operate "Schedule 7 of the Act lists out activities, which a qualified company can take up in discharging its CSR and includes promotion of education, promotion of gender equality and empowering women and employment enhancing vocational skills. Section 135 and Schedule 7 specially provide that preference should be given to the local area where a company operates.

- The companies identifying key CSR areas and appointing an internal team, organization also have the option of roping in CSR consultants. This will provide opportunities to CSR consultants an unexplored area so far. More people may be encouraged to build expertise in this area in the future.
- The companies can create a synchronization of their CSR teams with various other corporate and the government to ensure greater impact through collective effort. Also, they can join hands with NGOs, so that they use their expertise in devising programmes.
- The companies Act under Section 135, qualified companies will be required to set up committees, formulate policies, identify CSR activities, implement and report in their annual report.
- The companies Act, 2013 has called upon companies having a net worth of Rs.500 crore or more, or a turnover of Rs. 1000 crore or more, or a net profit of Rs. 5 crore or more to have a CSR spend of at least 2 percent of their average net profits of per three years.
- Only CSR activities undertaken within India will be taken into consideration.
- If the company fails to spend the 2 percent on CSR, it has to provide reasons for the same.
- Companies may conduct CSR programmes through trusts and societies not setup by itself.
- The list of Activities as per the companies Act may be considered as CSR spend include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, environmental sustainability and social business projects.
- Contribution to Prime Minister's National Relief Fund or any other fund set up by the central or the state governments for socio-economic development and relief will be counted as corporate social responsibility.
- The companies Net profit means net profit before tax and shall not include profits arising from branches outside India.

About Ganjam District

Ganjam District came into existence on 1st April 1936 most populated district of Odisha, characterized with presence of rich alluvial Soil (in eastern part) and laterite soil (western part) adding to its agriculture productivity. The district shares its border with Andhra Pradesh and is home to migrants from south. Administrative set up of Ganjam is divided three Sub Divisions, 23 Tahasils, 22 Blocks with 503 Gram Panchayats, 02 Municipality and 16 NACs. The District head quarter is

Chatrapur with major office and business capital is Berhampur. As per census 2011 the district has a population of 35.29 lakhs of which males and females were 17.79 lakhs and 17.49 lakhs respectively. The sex ratio as per census provisionally 981 females per 1000 males.

The economic of the district is supported by both industries and agriculture. The district is well known for its food grain production. Agriculture forms the backbone of the district economy with more than 70 percent population being dependent on it. The agriculture employees about 75 percent of the total work force.

In Ganjam district the major activity taken under CSR by TATA STEEL & MCL. Beside these Big player Grasim Industries Limited also do livelihood activity in the programme area.

Programme under taken by grasim industries limited at ganjam & chatrapur block of ganjam district

Skilling the Youths

The main objectives of Grasim Industry Limited, Ganjam Chemical Division, CSR department is to motivate the youths for participation in the process of socio-economic transformation. To provides opportunities to develop personality of young people by harnessing their talent through giving them a platform where their skills are developed through the following activity.

Career Counseling

Adolescents are faced with important choice as they progress through secondary schooling. After school, they need to move onto a job, or further education. Making that choice can be difficult, particularly if they have no experience with the world beyond school. Younger people may or may not have little work experience. Some may have certain awareness from their parents, or from part time jobs, but many will have at best a vague idea of the possibilities that lie ahead. During January 2019, GIL organized Youth Career counseling at Bharati Bidyapitha, Ganjam where 100 students/youths are participated and have a clarity on their carrier.

Skilled Training to Youths

GIL selected 30 youths from Ganjam Block take skill training at Aditya Birla Skill Foundation, Bhubaneswar imparts certified skills to these youths to acquire the skill for employment in industries / entrepreneurs or to become self-employed during this year with the objective of improving the employability on a sustainable basis. Out of 30 youths, around 13 youths has successfully engaged in various fields.

Empowering the Women

Women's empowerment is all about equipping and enabling women to make life-determining decisions. Projects aiming to improve the living conditions of the poor cannot, therefore be effective unless women participate in their formulation and

implementation as contributors as well as beneficiaries."Increasing women's capabilities and empowering them is the surest way to contribute to economic growth and overall development. GIL recognizes the need to empower women and is running several projects to help communities take a step towards a more equitable future.

- **Training the SHG Groups in the Village to develop their own Kitchen Garden**

GIL has organized trainings for 200 SHG members on kitchen garden by providing them training with various seeds as matching grant to start their own kitchen garden. By the support of GIL these women have started their own business ventures and are earning additional incomes of 1000 to 1200 per month by their little effort.

- **Tailoring Training to Women SHG Groups**

Under tailoring activity GIL selected two villages i.e. Mali Jaganathpur and Kalyanpur and organized tailoring training along with the provision of 20 tailoring machines. Now 40 SHG members from Mali Jaganthpur started stitching ladies dresses and have an additional income by doing this activity to their family.

- **Entrepreneurship Support to Women SHG Groups**

This is a unique programme initiated by GIL under CSR activity by providing skill up gradation training to women/young girls by their effective participation in manufacturing garments. With partnership "Radhakant Creation" and Kallipalii SHGs they better utilized their expertise and promotion of women entrepreneurship program in Ganjam, where more number of SHG groups from other village such as Kainchpur, Kalyanpur and Ganjam NAC accessed to get skilled training and gainful employment by manufacturing garments such as school uniforms for Angan Wadi Centres/Primary Schools and other garments for local retailers. 20 motorized apparel making machines are installed along with other equipment's required for a Garment Manufacturing Unit. 60 women from various group are trained engaged in stitching of school and Anganwide uniforms.

Garment Manufacturing Unit at Ganjam

Radhakanta Creation a group of SHGs was formed by 60 women from various SHGs in 2019 focusing on entrepreneurship activities. They requested Grasim to support for setting up their dream project i.e. "**Garment Manufacturing Unit**" at Ganjam. Each member has been given 3 months training in cutting, designing and stitching with the help of professional/experts by using electric machines. Besides that they have been supported recurring expenses of their units by GIL.

Looking after finished product, ORMAS (Odisha Rural Development and Marketing Society) and Project Director, DRDA (District Rural Development Agency), Ganjam have shown their interest to support these SHGs and assure to give them the orders for government supply. Similarly, District Magistrate cum Collector, Ganjam

impressed with their work and ask the CDPO (Child Development Program Officer) to stitch the uniform for the Anganwadi children. Both the groups have already produced more than 3000 pairs of uniforms and deliver the same.

During the covid-19, these groups are also asked to produce nose mask for them. Radhakanta Creation SHG alone able to stitch more than 10000 numbers of nose mask and delivered to Government administration and Grasim Industries.

Sustainable Agriculture and Skill Development

Capacity Building of Farmers on Organic Farming & Pesticide Management

During this year GIL organized organic farming and pesticide management training programme for 80 leading and active farmers. During the Programme the participants learn how to produce organic vegetable and control of pesticides during farming.

GIL's Sustainable Agriculture Practices Programme is designed to assist such small farmers to cope with these present challenges. Demonstration plots and farmer field schools in villages give them information and practical training on climate smart farming practices and technologies, e.g. water saving irrigation devices, organic pesticides and fertilizers, mechanization appropriate for small plots, etc.

These interventions help farmers to conserve and manage soil and water resources, improve crop yields and reduce cultivation costs - leading to higher incomes and fewer incidences of crop failure, making farming less risky and a more sustainable livelihood now and in the future.

Set Up Agriculture Training Centre Under PMKVY & Skill Odisha

Grasim Industries Limited, Ganjam has set up an agriculture training centre under Pradhan Mantri Kaushal Vikas Yojana on the basis of the local requirements and to address their challenges with regards to their livelihood. The training centre will focus on improving the skills of the local youths through different areas of activities related to both farm and Non-farm sector. The training can be focused on new designs, latest models, patterns and new developments in the basket, which is to learn skills and transfer it to employment generation.

The training will be provided with the support of Training Partner (Ashribad Hospitality Services) and through collaboration of Skill India, NSDC (National Skill Development Corporation), ASCI (Agriculture Skill Council of India) and Skilled in Odisha.

Plantation and Social Forestry

During this period Grasim with the support of District administration, NAC officials and Block Officials have been able to plant 5177 fruit bearing and deep rooted sapling plants in the peripheral communities and in Ganjam NAC. During this event, the school and college 1000 students participated and made this program successful.

Conclusion

The livelihoods programmes have created empowerment for women through SHGs and given them opportunities to earn for their families. Many youth are skill-enabled and are earning their livelihoods through jobs or small businesses. The social development programmes have helped in improving the education and health status of the villages. The infrastructure of the villages has been built and has improved the lives of the people. The whole concept of business and economic is based on the motive of maximization of profit thus corporate sector can only do its role by doing its own role rather than doing social work which does not provide any return to corporate in business sense. Some argue that there is no place of social responsibility in business activity and argue that rule of corporate law prohibits a corporation director from any activity that would reduce profit. Further there have been criticism of corporate social responsibilities initiative on the ground of its being publicity stunt by the companies. There might be criticism of corporate social responsibility but the experience of past few years world over have shown that it has been proved effective in the way of helping the government and civil society in doing away with many persisting problem. Thus it is actually needed in developing countries where there have been wide disparities. In India it has been successfully proved on experimental basis. So it has to be promoted.

References

- ✧ Annual report of Grasim Industries Limited
- ✧ Bueble E(2009), Corporate Social Responsibility: CSR Communication as an Instrument to Consumer-Relationship Marketing, GRIN Verlag, New York.
- ✧ Campbell, JL2007 ,Why would corporations Behave in Socially Responsibility ways? An in-stitution. Theory of corporate Social Responsibility .Academy of management Reiew ,32(3): 194-967
- ✧ Castka P, Bamber C and Sharp J M (2004), Implementing effective corporate social responsibility and corporate governance : a framework, British Standards Institution, UK.
- ✧ Chopra, J.K. (2012) : Current National Issues and Topics of Social Relevance, Pub : Unique Publishers, Lajpat Nagar, New Delhi- 110024, PP – 95-96.
- ✧ Digital , S.K. – CSR : A Case Study of a University : The Orissa Journal of Commerce, Volume – XXXI, July 2010, Number – 1, PP – 99-109.
- ✧ Dunphy, DC, Griffiths, A and S. Benn, (2003) “Organizational Change for Corporate Sustainability” London :Routledge Publishing.
- ✧ Fernando A.C.,(2009): Business Ethics, Pub–Pearson Education–New Delhi, PP-112-128.

- ✘ Luo, Xueming and C.B. Bhattacharya (2009), "The Debate over Doing Good : Corporate Social Performance, Strategic Marketing Levers and Firm – Idiosyncratic Risk" Journal- Vol. 73, November (2009), ISSN : 0022-2429 (print).
- ✘ Majumdar A.K. and Kapoor G.K (2009) Corporate Governance Company Law, Pub –Taxman, West Pubjab Bag, New Delhi – 110026.
- ✘ Marrewijk, Marcel Van, (2003), "Concepts and definitions of CSR and Corporate Sustainability: Between agency and Communion" Journal of Business Ethics, May, 2003
- ✘ Mullerate R (2009) "International corporate Social responsibility, the role of corporate in economic order of the 21st century", kluwer Law International, Netherland pp14.
- ✘ Progress reports of Grasim Industries Limited , Chemical Division, CSR

