

# CSR revisited

Corporates engaged in some form of Corporate Social Responsibility activities should think of a structured strategy to implement and make it a part of overall business strategy for long-term sustainability. It is not just allocating 2% of the profits, but to create an impact on the people in the society in which the business operates. These are some of the suggestions of the participants at the Annual CSR Summit 2012 with the theme of “CSR an imperative for corporate sustainability” organized by CII in Bangalore (21-2-12). Topics discussed at the summit include making CSR an integral part of the business strategy, Business & NGO in community development, CSR 2020, and CSR for livelihood.

Many speakers focused on skill development of the people outside the company environment for achieving multiple purposes. Almost all the speakers advocated for using resources of CSR for education, generating livelihoods for rural poor, and health and empowerment of the women. Asia Foundation in collaboration with CII, which committed to give away 25,000 books to the underprivileged students of the society, made a formal launch of its literacy campaign in Bangalore at CSR summit.

Mr S Chandrasekhar, Chairman, CII Karnataka State Council & Managing Director, Bhoruka Power Corporation Ltd, said, “ Now, there is a need to give a structured format to CSR and include at the highest level of the corporate sector. Apart from committing some resources, corporates have to ensure proper implementation and maintenance mechanism. At the end, there should be an audit mechanism to ensure the funds reached to the intended stakeholder. Mr A M Muralidharan, Chairman, CII Karnataka CCSR Summit & Managing Director, Volvo India Pvt Ltd, said, “We are at the turning point of the evolution of CSR moving away from the mindset of charity. Companies active in CSR are able to see a better bottom-line as they are better valued by customers and stakeholders. Strategic alliances with NGOs are needed as corporates do not have all the expertise to do it on their own.”

Dr V Raghunathan, CEO, GMR Varalakshmi Foundation, said, “CSR makes business more sustainable. As pronounced by Mahatma Gandhi, industrial houses must be the trustees of the wealth of the society. Today, we need to reinvent what Gandhi and Nehru said. Businesses that overexploited market conditions vanished, but those serviced social environment survived all odds. Government says 2% of the project cost should be earmarked for CSR. CSR is followed today for

compliance, managerial and strategic reasons.” Mr K Jothiramalingam, Principal Secretary, Commerce and Industries Department, Govt of Karnataka, said, “Do not be surprised by changes. Anticipate change, prepare for the change and enjoy the change. There should be some statutory provision to earmark some of the profits for CSR. Earning goodwill of society around the business is possible by earmarking some portion of profits.

Mr Sai Prakash, Convenor, CSR Panel, CII Karnataka & Managing Director Erin Consultants Pvt Ltd, chaired a panel discussion on CSR for livelihood. Panelists opined that India’s growth story is not all inclusive and the gap between rich and poor is increasing. As poor and underprivileged may turn to insurgency if corporates and governments ignore equipping them with skills required for earning livelihoods, according to panelists. Mr P S Narayan, Vice President & Head of Sustainability, Wipro Ltd, said, “While integrating CSR into Business strategy, there will be many stakeholders. Wipro does not use the term CSR, but uses sustainability. Stakeholders in CSR are customers, employees, suppliers, community & society. First three being business stakeholders and the last category is non-business stakeholders. Companies should earn societal license to operate in the same way we get business license to operate. Investors see sustainability as a proxy to evaluate the sustainability of the business. Growth and return on investment come from business operations. But reputation management comes from external society and it is very difficult to manage.”

Ms Aruna C Newton, Associate VP- Education & Research, Infosys Ltd, said, “We should think of how best we can make use of Government funds as a citizen. There is no dearth for funds with governments and corporates if there is a proper bridge to utilize them for the benefit of people.” Mr P Balachandran Warriar, CEO, Manipal Foundation, said, “ For our foundation, CSR is the stand alone task, not part of any business. We support the gifted as well as the needy. The corporates who give more to the society earn more. We have 38 external partners and 9 internal partners working across India. While doing any programme we ensure there is no hidden agenda and confirm what and why we are doing. Healthcare, education, livelihood, women empowerment are some of the major areas Manipal group is focusing on.”

Mr Joseph Sunil Nallapalli, Lead AA & CSR Communication, TCS, said, “Global hunger index ranks India below countries like Rwanda and Sudan. People living in conflict areas are losing out to the so called rapid development. Address the needs of society through use of sustainability of CSR programmes. Use core competence to address large scale social development. CSR will also be a differentiator to

attract talent.” Mr Sujit Sircar, Executive Vice President & CFO iGATE Patni, said, “At any given point of time, 300 to 500 volunteers from our company are engaged in CSR activities. 1% of our profits are kept aside for this. We are trying to reduce carbon emission by 20% each year to ultimately become carbon neutral company.”