

Corporate Social Responsibility and Education in India

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Abstract

Today, education faces the rising challenges of standardized testing, strained budgets, teacher retention, and global workforce competition. Businesses have begun to take a more targeted approach in their corporate social responsibility programs and are seeking to impact areas that have a correlation with their own business goals. For many businesses, education is an important part of their plans, since the needs exist in all geographic areas, across all subject areas, and for all kinds of people. The bottom line is that educational outreach efforts have the capability to make a real and lasting difference for all players involved

Objectives/Purpose of Study: In this research paper the study is conducted to know whether higher education institutions might also be considered as corporations and whether the current ideas of CSR might have any say in principles and practices of the institutions where work is done

Methodology adopted for study: Secondary sources have been adopted for study. Various newspapers, Journals, Articles and websites have been accessed to collect the information for study.

Major findings: There is strong desire to change the current state of education, and of the current less-than-adequate regard for the impact of business on larger societies are, however, prerequisites.

Key Contribution: The study will help the organisations to mitigate the skill gap with considerable experimentation, and learning-by-doing along the way. In this process, the affected individuals, companies, and society at large are likely to benefit

Key words: Corporate Social Responsibility, Profit maximization, Profit Optimisation, Socially Responsible Investment

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INTRODUCTION

Corporate Social Responsibility refers to ensuring the success of a business by the inclusion of social and environmental considerations into a company's operations. It means satisfying your customer's demands as well as managing the expectations of other people such as employees, suppliers and the community around you. It means contributing positively to society.



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It is voluntary nature, in fact, there are no constraints forcing companies to adopt policies and strategies of social responsibility other than the awareness that being socially responsible creates a competitive advantage.

CSR has never been more prominent on the corporate agenda than it is today. Nowadays CSR is playing an important role in the rapidly changing global world. Consumers are more selective and conscious about the products that they are purchasing and companies are also becoming more responsible about the products that they are producing, supplying and selling. The reasons behind these responsible activities are based on consumer demand, legal requirements that are developing rapidly in the last decade and, the competitive needs of the firms. CSR has achieved business prominence due to the activities of pressure groups and also the emergence of the “market for virtues” such as Socially Responsible Investment(SRI) that create further pressures to adopt CSR initiatives.

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A report from global accounting and consulting firm Grant Thornton noted that CSR activities across the world have increased dramatically in recent years as “businesses realize their value not only commercially, but also in terms of boosting employee value, attracting staff and cutting costs.” Incidentally, “Saving the planet” came in sixth in the survey of drivers of CSR. The Grant Thornton International Business Report was launched in 1992 and now covers over 11,000 respondents per year in 39 economies.

From CSR perspective, organizations are seen as key drivers in the process of constructing a better world (Friedman & Miles, 2002) and are therefore under increasing pressure to demonstrate good and accountable corporate responsibility (Pinkston & Carroll, 1994).

In addition to the prime requirement to deliver profits to shareholders, organizations are frequently subject to wider stakeholder interests.. CSR Europe has launched the Enterprise 2020 initiative in 2010; an initiative that promotes highly developed CSR Management and transparency, while putting social innovation at the heart of business strategy. CSR Europe showcases social innovation through Enterprise 2020. In practice, companies and their stakeholders can engage in Enterprise 2020 in a number of ways. The balance between minimizing risks through accountability and maximizing opportunities through transparency and social innovation lies at the very heart of EU Enterprise 2020 initiative.

On September 08, 2011, Continuing with the efforts for building a progressive society Company supported a unique initiative called ‘GAIL Utkarsh’ to provide training to under-privileged children for top engineering entrance exams in the country.

Praful Patel inaugurated National CSR Hub at the Tata Institute of Social Sciences (TISS) on March 22, 2011 where he announced that now Public sector enterprises (PSEs) may lose their Mini-ratna, Navratna and Maharatna status, if they fail to spend the stipulated amount on corporate social responsibility (CSR) in a time-bound manner.

It was reiterated that the CSR budget will be fixed for each financial year and it would not lapse. However, it will be transferred to a CSR Fund, which will accumulate – as in the case of non lapsable pool – for the North East. The minister said project activities identified under CSR are to be implemented by specialized agencies and not by the staff of the PSE concerned. Specialized agencies could be made to work alone or in tandem with other agencies.

On February 11th 2008, Shell launched the second part of their brand reputation campaign called ‘clearing the air’. The campaign, which introduces Shell’s latest technological development called GTL (gas-to-liquids), demonstrates that they are working on solutions for problems in society, in this case by reducing air pollution. In terms of marketing, it seems as if Shell is more concerned with its socially responsible image than with selling its products. The fact that a major company like Shell introduces a campaign like this is a clear indication that (corporate) social responsibility (CSR) has become a prominent issue in the field of marketing (Robin & Reidenbach, 1987; Sen & Bhattacharya, 2001).

Shell is certainly not the only company working on its reputation in terms of social responsibility. Procter & Gamble state on their website that they are committed to social responsibility; “we are always seeking ways to better integrate economic progress, social development and environmental concerns to ensure a better quality of life for future generations”. In Philips’ general business principles it is stated that Philips “wishes to be a responsible partner in society”

Global leaders such as Johnson & Johnson, HP, and Shell have publicly acknowledged their social and environmental responsibilities and have developed processes to inform stakeholders using tools including sustainability reports, responsible products, active engagement with NGOs, and positive participation in networks to share best practice in the field of CSR.

Growing interest in CSR has sparked new research and CSR is at the intersection area of the debates about globalization, competitiveness and sustainability. The prime goal of a company is to generate profits; companies can at the same time contribute to social and environmental objectives by integrating CSR as a strategic investment into their business strategy (Wissen 2011).

EDUCATION IN INDIA

After discussing CSR we can move on to consider whether higher education institutions might also be considered as corporations and whether the current ideas of CSR might have any say in principles and practices of the institutions where we work.

Today, education faces the rising challenges of standardized testing, strained budgets, teacher retention, and global workforce competition.

In India Higher education is facing these challenges because there has been a huge demand and supply gap. India would have to nearly quadruple existing college seats and more than quadruple the number of professors to achieve the 20 percent GER(Gross enrollment ratio) by 2014 cited in the Venture Intelligence report.

There is a huge gap between the Aspirations and Availability as actual growth rate in education has been 11.3% as compare to 37% required by Eleventh five year plan set by govt. (Planning Commission).

The big question arises here is that How can we with Rs. **40,000 crores** of investment only for **2.5%** of the relevant age group solve the purpose of Higher education (Edge 2008). Already in the second years of the XIth plan – nothing concrete has been seen on the ground yet.

The current framework of Pvt. Channel is also not encouraging as there are only 23 Private Universities & 70 Private Deemed Universities which are able to Enroll not more then One Million (no great numbers expected)

In order to have a good education, skill development is critical but it is not easy as University education is not for all and Industry requires skilled manpower which is not possible without proper education.

A recent report by the Confederation of Indian Industry (CII) and the Boston Consulting Group (BCG) titled 'India's demographic dilemmas' analyses the looming skill gaps in the country and the need to urgently address them. The report projects that over the next five years, India will experience a paradox of nearly 90 million persons joining the workforce, but most will lack the requisite skills and the mindset for productive employment, or for generating incomes through self employment.

The clearest and boldest statement of this issue can be found in the "Report to the Nation 2006" of the National Knowledge Commission which concludes that there is "a quiet crisis in higher education in India that runs deep", and that it has to do with both the quantity and the quality of higher education in India. A recent government report finds two-thirds of India's colleges and universities below standard. India's highest-quality institutions have severely limited capacity.

Besides its quantitative limitations and qualitative deficits, Indian higher education is also considered to be not properly organized and significantly overregulated.

National Knowledge Commission stated that the existing regulatory framework constrains the supply of good institutions, excessively regulates existing institutions in the wrong places, and is not conducive to innovation or creativity in higher education.

Uttara Dukkupati in her article in CSM stated that another major problem in Indian Education System is that only 4 percent of research expenditure is made through universities. In the United States the corresponding figure is 17 percent and in Germany it is 23 percent. China's investment in research manpower, estimated at 708 researchers per 1 million people which is six times that of India's. This shows lack of connectivity of Indian institutes with research.

India has a number of assets that will help India in living up to that challenge. Building up a modern system of higher education and research virtually from scratch since independence has been a major achievement and should be a solid predictor of future growth as India is home to the world's largest pool of scientific and knowledge workers, and produces 400,000 engineers each year while the United States produces 60,000(CSM,2010)

CSR AND EDUCATION

Businesses have begun to take a more targeted approach in their corporate social responsibility programs and are seeking to impact areas that have a correlation with their own business goals. For many businesses, education is an important part of their plans, since the needs exist in all geographic areas, across all subject areas, and for all kinds of people. The bottom line is that educational outreach efforts have the capability to make a real and lasting difference for all players involved.

Corporations are getting involved in education sector for a number of reasons, including Improved financial performance, building a positive reputation and goodwill among consumers, employees, investors, and other stakeholders; Increased ability to attract and retain employees developing brand recognition, whether to increase consumer loyalty, boost sales, or establish the company as an industry leader, easier access to capital; building a more educated workforce; raising consumer awareness about a particular issue; and fulfilling a company mission or mandate. Students, schools, and the general public can benefit from the experience and expertise that corporations bring to the table, particularly if the groups work together to ensure the right

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needs are being met on both ends. Companies looking to contribute to public school education, for instance, must consider the many demands that schools and educators face daily – time constraints, tight budgets, technology access, standardized testing, and explicit curriculum standards – as well as the unique places where outside help is needed. As long as they address the right needs, businesses have the ability to make a tremendous impact. By providing highly engaging resources, by building in strong connections with instructional needs, and by effectively marketing the resources, more and more companies are simultaneously meeting educational goals and their own business goals. Parents are enthusiastic about the industry involvement, too, so long as it's positive and productive.

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CSR initiatives, through partnerships between business organisations, the government, particularly at the local level, and not-for-profit sector, can play a vital role in enabling increased access to higher education through both demand-side (e.g. provision of scholarships, general awareness programmes) and supply-side measures (e.g. provision of endowments, making corporate staff available as resource persons, funding research and by contributing to infrastructure).

There is increasing consensus that well-designed CSR initiatives could assist companies domestic and foreign, operating in India, to sustain long-term growth and profitability, while increasing acceptability to local population.

CSR AND INITIATIVES UNDERTAKEN IN EDUCATION SECTOR

Mahatma Gandhi envisioned that education should help curb social insecurity and social disharmony. Objective of any educational initiative should be to inspire the pupil to put worthwhile efforts in any meaningful initiative.

A Michigan survey conducted in April 2007 by The Detroit News, The Skillman Foundation, and Your Child showed that 77% of parents think businesses should play a role in education, particularly by providing additional resources

Several Indian corporations have developed synergistic initiatives towards higher education and vocational training. The illustrative examples include Tata's Institute of Hotel Management at Aurangabad and ITC Welcomgroup's Hotel Management Institute, HUL's Project Shakti and other CSR education initiatives, ITC's e-Choupal, Reliance's DA-IICT providing graduate and undergraduate education in Gujarat and Intel's higher education programme.

General Electric

General Electric has a five-year, \$100-million "College Bound" program to boost the number of high school students who go to college in certain school

districts. The program encompasses math and science curricula, professional development, management capacity, and the involvement and expertise of GE officials.

DLF

DLF Foundation also administered scholarships for meritorious students from economically vulnerable sections of society and scholarships for higher education for aspirants particularly from certain districts of Haryana and U.P. Notable among these programs is the “DLF - Choudhary Raghuvendra Singh Scholarship for Excellence in Education”.

Grants are provided for studies in the fields of Engineering, Medical, Management, Fine Arts and for excellence in Sports. These Scholarships are instituted for higher education within India. The maximum amount of scholarship is Rs. 1,00,000/- for the complete academic course. Applicants are required to secure admission to any reputed institution within the country to be eligible for the scholarship.

Bharti Airtel

Under the aegis of its flagship program, the Satya Bharti School Program, Bharti Foundation imparts primary and higher education to help in both holistic and academic development of underprivileged children and youth across the rural pockets of India. Girl child gets special focus in these temples of learning, radiating knowledge and excellence. This helps them connect with their own community and stay rooted to their local culture. The senior school program trains students in vocational skills to help them emerge as employable citizens and contribute towards community development.

Currently 236 Satya Bharti Primary Schools are operational across 5 states of Punjab, Rajasthan, Haryana, Uttar Pradesh and Tamil Nadu; reaching out to approximately 30,000 children and recruiting over 1,000 teachers from local communities. Bharti Foundation launched the Satya Bharti School Program in Murshidabad district of the state of West Bengal this year. The foundation stone for this new initiative is a first as a part of the expansion plan to set up 10 such primary schools in the district in due course of time. Of these 236 operational schools, 49 schools are adopted government schools, under public private partnership reaching out to about 6,000 children, across Neemrana and Amer blocks of Rajasthan. The adopted schools continue to follow the state-prescribed curriculum, supplemented by interesting teaching-learning material and processes developed by the curriculum design team of Bharti Foundation. The most striking achievement of the program has been the participation of

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girls which gets reflected in a healthy girl:boy ratio of 47:53. The program aims to provide academic support to children, healthy nutritious mid day meals and also contribute to their holistic development. Launched in 2006, just three years into operation the schools have, slowly but surely, started to make an impact on the children, parents and the village community.

Bharti Foundation has partnered with premier institutes like the Indian Institute of Technology, Delhi in 2000 to set up the Bharti School of Telecommunication Technology and Management, IIT Delhi. 200 students are supported every year to pursue courses in the field of telecommunications. The School has been set up with the vision “to develop telecom leaders through excellence in education and research”. The Foundation has also set up the Bharti Centre for Communication, Mumbai in partnership with IIT Mumbai.

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Citigroup

Citigroup announced the formation of its Office of Financial Education, along with a 10-year, \$200-million commitment to financial education. Since then, the company has developed curriculum programs for aspiring entrepreneurs, college students with questions about credit, and pre-scholars who are just starting to learn about money, among others. Thousands of Citigroup employees volunteer their time to teach these programs, which have reached people in more than 60 countries.

Indian Oil Limited

OIL instituted a chair in the memory of late KD Malviya, Ex. Petroleum Minister, Government of India in late sixties in the Dibrugarh University, Assam. This is one of OIL’s social gestures of promoting research works in geoscientific fields relevant to exploration & exploitation of hydrocarbon for India’s self-sufficiency. OIL contributes an amount of Rs.1 Million (USD .02Million) under its Social Welfare Programme towards the chair.

Rural electrification Ltd

Providing grant in aid assistance to schools in rural/remote areas for development of necessary infrastructure like building, electricity, furniture, computers etc. They also supply study material like bags, books, stationery etc. to children belonging to the under privileged class of the society.

Azim Premji foundation

The Azim Premji Foundation till 2006 had touched nearly 20,000 schools, 60,000 teachers and three million children. With over 250 professionals and over

1000 paid field volunteers, its vision is to ‘significantly contribute to achieving quality universal education to facilitate a just, equitable and humane society.’ The Foundation aims to deliver quality universal education across the country by bringing systemic changes in partnership with the government agencies and not merely develop smaller ‘islands of excellence’. The Foundation has also set up training institutes for school teachers as it believes in improving school performance by improving quality of teachers and school infrastructure (Premji, 2006).

Microsoft

Project Shiksha (Rs.100 crore or US 20million dollar), launched by *Microsoft* to improve computer education in India, aims at training 80,000 school teachers who would be educating 3.5 lakhs students across the country is an important step in this direction.

CONCLUSION

There is strong desire to change the current state of education, and of the current less-than-adequate regard for the impact of business on larger societies are, however, prerequisites.

India has to restructure the education system at all the levels i.e. elementary, secondary and higher education level.

This is possible when the corporates also perform their responsibilities towards society. They are also the consumers/users of trained/skilled manpower produced by the universities. In order to reap concrete benefits they must help these universities /colleges to produce such skilled and trained manpower by providing funds for research and development, organizing various workshops, training and development programs, cross over exchange programs, infrastructural support and last but not least providing facilities for qualitative education that quantitative.

The role of CSR in education is thus mitigating the skills gap with considerable experimentation, and learning-by-doing along the way. In this process, the affected individuals, companies, and society at large are likely to benefit.

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