



COMPLACENT SUSTAINABILITY OF CORPORATE SOCIAL RESPONSIBILITY FOR TRAINING AND DEVELOPMENT IN SELECT COMPANY IN INDIA

Dr. P. S. Nagarajan*

A. Saravanan**

Abstract: *The corporate law was updated by Indian parliament, after foregone years of debate that brought several provisions to Indian Corporate Governance. Though several provisions were mentioned in Companies Act 2013, the most attentive decision made by the Government was “two percent” requirement.¹ Indian was the first country mandated CSR. The purpose of this study is to illustrate the need of CSR activity of Lupin established Lupin Human Welfare and Research Foundation (LHWRF) in Bharatpur, a rural village in Rajasthan. This study is based on the secondary data. Lupin initiated the training programs on beauty business that provides employment to rural villagers and seen as a supportive measure to self reliability and income generation activities. Sustainability of the village people can be achieved through their initiative for conducting training programs on income generation activities for the rural community. In this study, formidable challenges of NGO CSR activities was considered as a major factor. It is imperative that NGO was a primary sector to manage the sustainable development of the rural society. The sustainability of CSR activities through NGO is identified for analysis in this paper. The result would highlight and urge the necessary changes in government policies with regard to corporate companies in India to undertake initiatives for effectively conducting training programs for rural villages in India.*

Keywords: *NGO, Lupin Foundation, sustainability, CSR, Government policy*

*Assistant Professor, Alagappa Institute of Management, Alagappa University, Tamilnadu

**Ph.D. Research Scholar, Alagappa Institute of Management, Alagappa University, Tamilnadu



INTRODUCTION

The Government policy was made earlier and it has become mandatory for bigger profit making corporate that they must use two per cent of their profits to help the needy. Corporate companies are changing lives and livelihoods of rural village people through CSR activities which substantially increase the sustainability of growth and development of rural people.

“Sustainable development” was defined by Brundtland commission.² “Sustainability development is the development that meets the needs of the present without compromising the ability of future generations to meet their own need”.³

Our Country’s corporate law was updated by Indian parliament, after foregone years of debate that brought several provisions to Indian Corporate Governance. Though there are several provisions mentioned in Companies Act 2013, the most attentive decision made by the Government was “two percent” requirement.⁴ Indian was the first country mandated CSR. This requirement can be applied to any company that is incorporated in India, irrespective of domestic or a subsidiary of a foreign company, that

- i. Company with net worth of Rs.5 billion or more
- ii. Company with turnover of Rs.10 billion or more
- iii. Company with net profit of Rs.50 million or more, during any of the previous three financial years

The above mandates includes 8000 companies to spend on CSR activities to the total up to Rs.150 billion annually.⁵ This act did not provide any provisions for the company to deviate from spending two percent on CSR. As per the companies act 2013, CSR is defined as an activity that promote poverty reduction, education, health, environmental sustainability, gender equality and vocational skills development. It was the broad interpretation of CSR that clearly emphasizes corporate philanthropy activity than strategic CSR. This act specifies the company preference to the local areas around which it operates. It was a positive step towards sustainable socio economic development of India. Though there was an estimate of 3.3 Million NGOs in India, few NGOs have the capacity and skill to effectively manage projects.⁶

Chavvi (2013) emphasized the key points about the mandate of Corporate Social Responsibility.⁷ Corporate Social Responsibility has become an essential implementation by



the companies in India. There are quite a few corporate companies established NGOs for practicing CSR with the major objectives, which was run by or own by the corporate itself before implementing Government rules. The NGOs are Apollo Telemedicine Networking Foundation⁸ with initiative of Rural Healthcare, ICICI Bank established The Social Initiative Group⁹ with the initiative of Education an Environment, Lupin established Lupin Human Welfare and Research Foundation (LHWRF)¹⁰ with the initiative of Rural development through vocational training and guaranteed employment or self employment opportunities, Amuja Cements(Gujarat) established The Ambuja Cement Foundation¹¹ with the initiative for Healthcare, Education, Women empowerment, Infrastructure and Disaster Relief. Wipro Ltd. established Wipro Cares¹² with the initiative of Education, Healthcare, Environment and Diaster Rehabilitation, Infosys Technologies established Infosys Foundation¹³ with the initiative of Cultural, Healthcare, Education, Rural development and Destitute Care, Ranbaxy laboratories Ltd established Ranbaxy community and Healthcare society¹⁴ with the initiative of achieving Primary Health care to the unreserved and under-privileged in Indian society, AMM Murugappa Group established AMM Foundation¹⁵ with the initiative of education and healthcare. Bajaj Auto established Jankidevi Bajaj Gram Vikas Sanstha¹⁶ with the initiative of Rural development, Environmental conservation etc.,

OBJECTIVE

To study the sustainability of Corporate Social Responsibility of select company that was complacent through Training program for rural village people in beauty business.

The purpose of this study is to ignite the corporate social responsibility progress in building rural villages in India. In this study, prominent challenges are undertaken by Corporate in providing training programs on beauty business. It is imperative that CSR is an inevitable social activity made by the government policy. Enumerated activities pertained to the sustainable management activities of villages are listed by the corporate.

METHODOLOGY

The scope of this study is limited to Bharatpur, a rural village in Rajasthan. This study is based on the secondary data.

TRAINING PROGRAM

Training program, facilitates the learning environment for the villagers, selectively girls and the needy people, Corporate conduct training programs through sustainable management



activities. The sustainability management of providing scope for employment and entrepreneurship is made by Corporate in the selected study region.

In 1988, Pharmaceutical major Lupin had established Lupin Human Welfare and Research Foundation (LHWRF). The scope of this study is limited to Bharatpur, a village in Rajasthan. Lupin pharma major, has been working earnestly in small Indian towns and villages before it was mandatory for bigger profit making corporate must use 2% of their profits to help the needy.

CSR INITIATIVE FOR CONDUCTING TRAINING PROGRAMS

Rasheeda Bhaga (2015) authored on villages and beauty business initiative of LHWRF through their CSR initiative. Earlier, Bharatpur village people was given training for employment which was not related to beauty business in Rajasthan. The Beauty training was started when a Class 11 girl requested training in beauty care, the flood gates opened to beauty training. LHWRF Chief Programme Manager, Dr Swati Samvatsar had no clue that this beauty thing has become such a big hit in small villages of Rajasthan. The success of enrollment for Training in beauty care was really a surprise felt by Dr.Swathi, because she was expecting whether they would get 50 persons as trainee in villages. Beauty was not considered a major business in rural India. The training program organized on beauty care enrolled 560 registrations and three class rooms were hired for the training programme. Since there was no dearth of trainers on beauty care was available on that region, Dr.Swathi got enough trainers to train about skin care, facials, waxing, threading, hair-cutting / styling in the 40 day training course.¹⁷

EMPLOYMENT IN BEAUTY BUSINESS

National festival, Karva Chauth in Rajasthan's towns and villages, and marriages is a huge business in the region. After completion of training programme on beauty business, girls are suitably engaged for employment in the region. Dr.Swathi was stumped again when the girls asked to conduct training programme on four kinds of Mehndi because she did not have knowledge about Bombay, Arabian styles to name a few. Again, the girls asked her about nail art, she realized how outdated she was.

In the context of employment, mehndi and bridal make-up can get mega bucks for the trained rural girls. It was commendable that Five trained girls started their beauty parlours



and employed four other students. Now these girls earn Rs.3000, but having experience they will earn better income through biggest parlours.

ENHANCING TRAINING PROGRAMS

Lupin Foundation conducted training programme on tailoring and computers. Girls are given the opportunity to attend many training programmes. The training gave hope to a girl attending computer classes that after completion of computer training she will find a job and she believe that tailoring training will be useful in home.

Lupin Human Welfare and Research Foundation (LHWRF) offers totally, 28 types of training. The training include courses for plumbers, electricians, gem cutters, diary and livestock rearing, tulasi mala making, food processing and mobile phone repairs. Mobile phone service is emerging as a great demand in villages, with simple glitches are fixed for Rs.20 to Rs.50.” For mobile service training ITI alumni’s are engaged as trainers. The duration of most training courses lasts for 30 days. Most of the beneficiaries are girls from Bharatpur district of Rajasthan. Female bus conductors are already trained by the foundation. The foundation has plans to train women security guards in future.

The lives of a farmer was enhanced through training program by Lupin. An example in Abhaya village near Bharatpur district, Lupin encouraged and trained him to keep buffaloes. He has four buffaloes and each giving 10-14 litres of milk everyday most of it he sells at Rs.40 a litre. He said, his son is studying in high school and he will handle the dairy operations after his education. This is an example of providing employment opportunity for forthcoming generations.

CONCLUSION

In India, CSR helps to achieve the sustainability of rural India above business growth. Lupin initiated the training programs on beauty business that provides employment to rural villagers and seen as a supportive measure to self reliability and income generation activities. Sustainability of the village people can be achieved through their initiative for conducting training programs on income generation activities for the rural community. The government might lay down such policies to corporate to undertake initiatives for effectively conducting training programs.



REFERENCES

- ¹ <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf> accessed on March 5,2015.
- ² United Nations. 1983. Process of preparation of the Environmental Perspective to the Year 2000 and Beyond. General Assembly Resolution 38/161, 19 December 1983.
- ³ United Nations. 1987. Report of the World Commission on Environment and Development, General Assembly Resolution 42/187, 11 December 1987.
- ⁴ <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf> accessed on March 5,2015.
- ⁵ http://articles.economictimes.indiatimes.com/2013-09-05/news/41803586_1_csarco-porate-social-responsibility-india-inc accessed on March 11,2015.
- ⁶ <http://www.indianexpress.com/news/first-official-estimate-an-ngo-for-every-400-people-inindia/643302/> accessed on March 12,2015.
- ⁷ Chhavi Ghuliani (2013), "India Companies Act 2013: Five Key Points About India's "CSR Mandate", available at <http://www.bsr.org/en/our-insights/blog>, November 22, 2013.
- ⁸ Apollo Telemedicine Networking Foundation available at <http://www.telemedicineindia.com>
- ⁹ The Social Initiative Group available at <http://www.icicicommunities.org>
- ¹⁰ Lupin Human Welfare and Research Foundation (LHWRF) available at <http://www.lupinkaushal.org> accessed on November 2, 2014.
- ¹¹ The Ambuja Cement Foundation available at <http://www.ambujacementfoundation.org> accessed on June 21, 2014.
- ¹² Wipro Cares available at http://www.wipro.org/community/wipro_cares.htm accessed on October 30, 2014.
- ¹³ Infosys Foundation available at http://www.infosys.com/infosys_foundation accessed on October 30, 2014.
- ¹⁴ Ranbaxy community and Healthcare society at <http://www.globalhealthprogress.org/programs/ranbaxy-community-health-care-society> accessed on October 30, 2014.



- ¹⁵ AMM Foundation available at <http://www.ammfoundation.org> accessed on October 30, 2014.
- ¹⁶ Jankidevi Bajaj Gram Vikas Sanstha available at <http://www.bajajelectricals.com/t-vikas.asp> accessed on October 30, 2014.
- ¹⁷ Rasheeda Bhaga,(2015) “Of villages and beauty business”, Rotary news, Vol.65, Issue 8, No.4, pp.20–24, February 2015.