

Factual dimensions of corporate social responsibility management-with reference to Reliance Industries Ltd.

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ABSTRACT

The present research paper traced out the Reliance Company's social responsibility, management in practice at surrounding areas of Kakinada, East Godavari district of Andhra Pradesh. The study found that the corporate industries followed ethical norms at some extent, involved to improve infrastructure facilities, social mobilization, provide employment opportunities etc. as recognized the some local people. But the range of activities was miserable compared to the environmental distressing in this area. Thus, as per the public perceptions, the present study suggests the company should extend public relations, control the environmental degradation and other community development works effectively.

Key words : Corporate industry, Environment, Pollution, Local needs, Business norms, Ethics

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In the last twenty years, there has been a sea change in the nature of the triangular relationship between companies, the state and the society. Ethical judgments based on the understanding of the society are now a prominent issue of business firms. No longer can firms continue to act as independent entities regardless of the interest of the general public. The evolution of the relationship between companies and society has been one of slow transformations from a philanthropic coexistence to one where the mutual interest of all the stakeholders is gaining paramount importance. Companies are beginning to realize the fact that in order to gain strategic initiative and to ensure continued existence, business practices may have to be molded from the normal practice of solely focusing on profits to factor in

public goodwill and responsible business etiquettes.

The modern corporate sectors feel social responsibility like ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate. It goes beyond the occasional community service action as an important business strategy especially in this globalize era.

Whatever the business goal behind is there, the corporate companies have managing social responsibility and implementing different public welfare activities. Keeping this in mind, the present study has been conducted to evaluate the corporate social responsibility management by corporate industries located in Kakinada surrounding areas of East Godavari district, AP.

METHODOLOGY

The study is specifically concentrated to find out the problems facing by the respondents regarding industries. Further, community/ rural development activities carried out by these industries against the peoples' problems and as social responsibility are also under taken.

The industries which are neighboring to the 9 villages

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surrounding of Kakinada East Godavari district, A.P. was selected. All appropriate means will be evaluated for collection of data. The required information and data have been collected from both primary sources. About 500 respondents were randomly selected from the nine villages. Public perceptions have been considered to find out the CSR level in the study area. Living style, social and economic conditions of respondents have been considered to find out the perceptual differences in this regard.

Analysis of the study:

Profile of the corporate industrial area:

The survey villages which are located surroundings of corporate industries have about 8278 population constitutes by 50.13 per cent are males and 49.87 per cent are females. Of which, about 53.4 per cent of respondents of the respondents are literates. Considerable number of respondents has either Primary/Secondary education, their percentage being 45.6 per cent. Only 7.8 per cent of the population is either technical education or higher education.

Living conditions

About 78.8 per cent of the sample has been staying in this area for the last five or more than five years. Meanwhile, 50 per cent of the respondents are living in the concrete roof house and 32.6 per cent are in tiled/asbestos house, 4.6 and 4.8 per cent of the population is staying either in a thatched house or house with other material.

Infrastructure facilities:

Majority of the schools are running under Government and they are aided whereas 40.12 per cent is under private management. Public tap on street line is source of drinking water for 67.8 per cent of the respondents, inside piped supply of water facilitate for 9.2 per cent and well source is to 11.4 per cent of respondents. About 39.03 per cent of the respondents have toilet facilities in their house and the remaining are using public toilets and open area in this regard

Nearly 59.2 per cent and 48.2 per cent of respondents opined that they have good road transport and street lights; whereas 25.6 per cent of the respondents felt that rain water is logging in the area. About 51.8 per cent of the respondents go to government health centre/ Government General Hospital and 48.2 per cent opted for private clinic while facing health problems.

Employment status:

About 70.4 per cent of the eligible persons were unemployed and only 29.6 per cent were employed.

ANALYSIS AND DISCUSSION

The findings of the present study as well as relevant

discussion have been summarized under following heads:

Social responsibility management of corporate industries (CIs)

Equal opportunity services:

It was found that about 15.4 per cent of respondents have opined that the corporate/neighbor industries (NIs)/ are providing various services and 24.6 per cent of respondents perceived that they have providing employment opportunities without discrimination. But, 60 per cent are dissatisfied with the services (Table 1).

Table 1 : Opinion on services and opportunities of CIs (n=500)

Sr. No.	Perception (equal opportunity in)	Respondents	
		Number	Percentage
1.	Providing services	77	15.4
2.	Providing employment opportunities	123	24.6
3.	No response	300	60.0
Total		500	100.00

(Source: Field survey)

Maintaining relationship:

The neighborhood industrial relationship with relevant authorities is also to a limited extent. It is clear from Table 2 that, only 13 per cent of respondents opined that the CIs are maintaining relationship with local political persons and 27.4 per cent in case of relation with the other local authorities. Majority of (59.6 %) respondents did not responding in this aspects.

Table 2 : Opinion on maintaining relationship with relevant authorities (n=500)

Sr. No.	Perception	Respondents	
		Frequency	Percentage
1.	Maintaining relationship with local influential people	65	13
2.	Maintain relationship with local authorities	137	27.4
3.	No response	298	59.6
Total		500	100.0

(Source: Field survey)

Maintaining business and ethical norms:

Along with maximization of sales and profits, some ethical norms like quality production, minimizing pollution, maintaining of green belt etc. can improve not only the industrial development but also public welfare. From Table 3 it is observed that about 18.6 per cent of respondents expressed that the industries have maintaining quality production followed by minimizing pollution (16 per cent), maintaining of green belt (MGB, 8 per cent), ERS (12 per cent) and PLP (13 per cent), respectively. But, many of respondents delivered

Table 3 : Public rating on business ethical norms (n=500)

Sr. No.	Perception	Respondents	
		Frequency	Percentage
1.	Quality production	93	18.6
2.	Minimizing pollution	80	16.0
3.	Maintaining of green belt (MGB)	40	8.0
4.	Extending relief services to the people (ERS)	60	12.0
5.	Giving priority to local people at lower level people (PLP)	65	13.0
6.	No response	162	32.4
	Total	500	100.00

(Source: Field survey)

unsatisfactory response are in this regard.

Meanwhile, corporate industries in the study area has rating good as per the respondents because they are providing employment opportunities (ranked first) and services. But about 54.6 per cent of respondents were not interest to deliberate in this regard and dissatisfied the services (Table 4).

Table 4 : Respondents perception as to rating CIs (n=500)

Sr. No.	Rating	Respondents	
		Number	%
1.	Good because of its concern for neighborhood people	49	9.8
2.	Good because of the provision for providing services to neighborhood people	77	15.4
3.	Good because of the provision for employment	101	20.2
4.	No response	273	54.6
	Total	500	100.0

Rating maintenance:

Table 4 shows public rating on neighborhood industries. It indicates that Reliance Industries Ltd. has good ranking position because of its concern for neighborhood people extent to 9.8 per cent, 15.4 per cent, of the respondents in terms of providing services to neighborhood people, the respondents perceived that company is good because of the provision for employment.

Extension of infrastructure:

Table 5 indicates the respondents' perception on social responsibility activities carried on by the neighborhood industries. A good number, 47.2 per cent of respondents identified that they are providing drinking water, medical

Table 5 : Rating of public perception on extent of infrastructure (n=500)

Sr. No.	Rating	Respondents	
		Number	%
1.	Providing drinking water	107	21.4
2.	Providing medical facilities	65	13.0
3.	Providing parks and plantation	64	12.8
4.	Providing street lights	50	10.0
5.	No response	214	42.8
	Total	500	100.00

facilities, parks and plantation and street lights.

Opinion on the other CSR activities organized by the NIs is shown in Table 6. Education, medicine and health facilities/ family planning activities, scientific research, self employment schemes, communities' welfare measures, environment, empowerment of women through education and construction of temple activities are undertaken at lower level by the NIs . The range of values could be seen from Table 6.

Table 6 : Respondents perception on CSR activities of NIs

Sr. No.	Description	Respondents	
		Frequency	%
1.	Education	34	6.8
2.	Medicine and health facilities/Family planning awareness	65	13.00
3.	Scientific research	25	5.0
4.	Self employment schemes	24	4.8
5.	Community welfare measures	27	5.4
6.	Environment	23	4.6
7.	Empowerment of women through education	25	5.0
8.	Temple building	0.4	0.08
9.	No response	273	54.6
	Total	500	100

(Source: Field survey)

Adverse affects of corporate industries:

Even though the people attained above said services, various problems have also been facing from the NIs as presented in Table 7. About 6.8 per cent of the households perceived that their family members are suffering with respiratory problems. Similarly, the persons suffering with eye problems, diabetes, hypertension, cardiac problems, chronic joint pain or arthritis, chronic stomach pain, chronic headache, kidney problems, gynaec problems and cancer represent 18.8 per cent; 12.2 per cent; 18.6 per cent; 7.4 per cent; 8.0 per cent; 4.8 per cent; 10.4 per cent 3.4 per cent, 7.2 per cent and 2.8 per cent, respectively.

Table 7 : Respondents' perception as to the health problems

Sr. No.	Problems	Yes		No	
		FC	%	FC	%
1.	Respiratory problems/ Asthma	34	6.8	466	93.2
2.	Eye problems	94	18.8	406	81.2
3.	Diabetes/Sugar	61	12.2	439	87.8
4.	Hypertension/Pressure/BP	93	18.6	407	81.4
5.	Cardiac problems	37	7.4	463	92.6
6.	Chronic joint pain / arthritis	40	8.0	460	92.0
7.	Chronic stomach pain/ Indigestion	24	4.8	476	95.2
8.	Chronic headache	52	10.4	448	89.6
9.	Kidney problems	17	3.4	483	96.6
10.	Gynaec problems / uterus	36	7.2	464	92.8
11.	Cancer / tumor	14	2.8	486	97.2

FC=Frequency

Public demands:

Table 8 indicates the important public demands of civic amenities. Large respondents equaling to 70.8 per cent were demanding supply of purified drinking water followed by construction of drainages (42.2 per cent), construction of houses (40.4 per cent), sanitation facilities (37.6 per cent) and proper roads (42.7 per cent) in the study area.

Table 8 : Important community demands (n=500)

Sr. No.	Community needs/civic amenities	Frequency	Percentage
1.	Supply of purified drinking water	354	70.8
2.	Construction of drainages	211	42.2
3.	Sanitation facilities	188	37.6
4.	Proper roads	73	14.6
5.	Construction of houses	202	40.4
6.	Employment	237	47.4
7.	Medical facilities	158	31.7
8.	School buildings	237	47.4
9.	Roads and transportation	213	42.7

(Source: Field survey)

Rational for intervention:

The study identified that the CSR activities of neighboring industries in the study area as dismal. Environment pollution by industries is common. Even though some measures taken in this, it is prime responsibility of the industries to establish the minimum and basic needs what the area people have demanding.

Initiatives to long run benefits:

The local public is currently steeped in ignorance with

alcoholism and gambling. Consequently they have neglected schooling the children, health and hygiene aspects, early marriages, large family size, and negligence of senior citizens and failed to attain alternative livelihoods of employable skills for youth, organizational linkages with government departments. Lack of knowledge on government development schemes, the villagers failed to get their entitlements. Thus, the company should create awareness through campaigns in this regard.

Further, it was observed that people were facing occasional stress and shocks during agricultural employment off-seasons due to poor income and expenditure planning. Proper guidance and creation of productive assets by supplementary income generating activities such as animal husbandry- goat, sheep and poultry, fish storage facilities and proper marketing skills etc can avoid these unfavourable conditions.

The adamant and selfish village leadership is hardening its stand on 'cash compensation' which is the critical aspect hindering process driven work of the CSR initiatives. Thus, the industries have to entry into the community needs which is on-going negotiations of the 'village elders.

The success of corporate world in their CSR depends upon how quickly and well they understand and implement the work along with the Community Based Organizations. The work in villages needs a dedicated team of 3 to 5 people supported by village level activists. This team will have work in the following direction:

- Generate awareness on social and economic impediments which affecting community through relevant publicity materials, conduct meetings by trained public relation officers.

- Address the company on capacity building to Self help groups (SHGs) that can build new shape to the villages by conducting clean and green, removal of the stagnatnt water. The current hygienic condition in the villages is miserable and once the work is completed by the SHGs and CIs can gain a lot of goodwill in public.

- Many of vulnerable members such as polio, handicapped, women headed households and unhealthy senior citizens are common in the area. The CSR team should concentrate them and give priority while forming SHGs and other developmental groups for conduct income generation activities.

- The CSR team by exposure visits will need to organize youth and fishermen associations in this area to develop fishermen communities. The South Indian Forum for Fishermen Societies in Kerala is an example to how fishermen were organized and improved their socio-economic conditions with help of CSR team.

The CSR team needs to address the issue of employable skills for educated youth as a big challenge with help of CBOs.

Conclusion:

Reliance companies can take assistance from other agencies to provide required civic amenities and coordinate the government developmental programmes in the area. It is prime responsibility and ethical norm of the company to protect the surrounding areas which are polluting and exploiting natural resources by the company.

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