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Corporate Social Responsibility in Indian Steel Industry

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ABSTRACT

In daily business operations and their business interaction with stakeholders on a voluntary basis, Corporate Social Responsibility (CSR) is nothing but those companies integrating social and environmental concerns. As we know, business is wholly dependent on society so it can only thrive in well-organized societies where individual cannot produce all their needs and wants. Therefore, a stable and well-organized society fundamentally makes it possible for people to engage in business. In relate to this CSR is part of an international drive towards transparency and accountability of business activities as well as the way of monitoring how business perform against environment, ethical and social indices in the profit making process. This paper examines how public sector undertakings i.e., Rourkela Steel Plant (RSP) view and conduct CSR, identifies key CSR practices and maps these against global reporting initiative standards. This paper attempts to explore Corporate Social Responsibility practices in RSP in the context of development. The paper concludes that social responsibility is regarded as an important business issue of Indian public sector companies irrespective of turnover and goal. The CSR actions thus may have positive impact on the development of community as well as business.

Keywords: **business, development, education, practices etc.**

INTRODUCTION

Today most firms recognize and realize that they have obligations to the society that extend beyond economic performance that is known as Corporate Social Responsibility. Therefore, the business has an obligation to consider the impact of its activities on all stakeholders who constitute broader segments of society. Corporate have a responsibility to help society to overcome problems of the business. There are many areas in which corporate social responsibility has to be practiced by corporate are health, education, community, environment issues, focus on climate change and promotion of art as well as culture. As we know, the general understanding of the term, Corporate Social Responsibility is that business has an obligation to society. As organization is a part of the society so there is an obligation and responsibility from the part of the corporate to take action that protects and improves the welfare of society as a whole along with their own interest. We can say CSR is a commitment by a company towards the sustainable economic development of the society. Therefore, the government perceives CSR as the business contribution to the nation's sustainable development goals. Moreover, we can say CSR is a concept which suggests that commercial corporations must fulfill their duties of providing care to the society. Corporate Social Responsibility activities undertakes to utilize their profit that enable social and environmental development as well as also includes the way that a company employs to earn profits by inclusion of socially responsible investments and transparency to various stake holders among others.

Corporate Social Responsibilty Programmes in Practice in Rourkela Steel Plant (RSP)

RSP has provided vocational training and constantly working to identify various areas where training help to the communities that can be imparted so as to make them self sustaining units which can generate incomes for themselves. RSP also organize a number of health camps to create health awareness and sensitize people on health related.RSP has established number of schools in its steel townships to impart modern education. Besides, the company provides assistance in the form of construction of additional rooms/boundary walls/toilets, provision of stationery/sports items etc. Moreover, in terms of completion of primary education, SAIL managed schools have the distinction of having a survival rate of 93.12 % and 90 % in secondary education.RSP has realized that without socio-economic development of the local communities, there can be no stability and sustainability for doing business so as to compete with the global

market. The study shows that all surveyed RSP present them as having CSR policy and practices. A wide range of CSR initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provision of drinking water, management and development of natural resources, infrastructure facilities being carried out by RSP.

Objectives of the Study

1. To study and understand the Corporate Social Responsibility practices being taken by Rourkela Steel Plant (RSP) for development.
2. To assess the impact of attitude of employees towards Corporate Social Responsibility programme at RSP.

LITERATURE REVIEW

CSR became a matter of utmost importance for diverse groups demanding change in the business.

According to Friedman (1971) in his study Corporate Social Reasonability is beyond the basic purpose of business and violates the responsibility of business to its owners, the stakeholders.

Jones, Marc T.(1999) in his study focuses on the institutional framework for corporate social practice. Moreover, the researcher examines the relationship between the configuration of structures and the social responsibility practice towards stakeholders and the analysis proved the hypothesis.

Reed Darryl (1999) his study based on realms of corporate responsibility, business ethics and corporate social responsibility. His study highlighted that the business ethics was shifted from personal responsibility to corporate responsibility. He observed that there is a range of corporate conception in which there are three different normative realms i.e. legitimacy, morality and ethics. Each of the realms should be on critical theory perspective of the nature of social responsibility.

Anand (2002), in his study describes that social responsibility initiatives as building blocks of corporate reputation in the Indian context. He analyzed that reputation helps in properly positioning a firm's identity. This has been proved in the case of socially responsible Indian firms, which are also considered to have a good reputation.

Bhattacharyya(2014) in his research, " A New Paradigm of Corporate Social Responsibility in India: An evaluative Study" explores the meaning and impression of CSR in today's corporate World. Also explain how CSR is the continuous commitment towards the economic and social development of communities in which they operate. He has focused on the findings of the various issues and challenges faced by CSR activities in India. The above findings at different points of time of different scholar's entail that they have rightly observed and under some the CSR practices and performance of companies in India.

METHODOLOGY

Data Source and Method of Collection

Primary data are collected by preparing 'attitude scale' in the form of questionnaire whereas secondary data were collected from the records, circulars, leaflets, magazines and journal of Rourkela Steel Plant.20 statements were used to measure attitude of employees for which 5 points Likert scale is used. Study includes primary data which were gathered using attitude scale which was distributed in RSP. Attitude scale were circulated to employees for the study, sample size is taken 80.

Sample Size and Sampling

A total of 80 respondents from the sample unit, i.e., Rourkela Steel Plant (RSP) of the Steel Authority of India Limited (SAIL) from different departments have been included in the study.

Tools and Techniques Used

The important statistical tools and techniques used in the study are t-test, Correlation and Reliability.

RESULTS AND DISCUSSION

The study has been conducted through own developed and validated attitude scale. The scale was developed with 20 statements and administered on 20 respondents spread across employees of different categories from Technician to

Senior Technician and Junior officers to General Managers. An attitude scale with 20 items describing the attitude of employees towards CSR practice of RSP. The validity of this hypothesis has been tested through t-test. Table-1: represents significant difference in the attitude of employees towards CSR programme in practices.

Table-1: Significant difference in the attitude of employees towards CSR programme in practices.

Sl. no.	Statement/Items of CSR Programme	Value	t-test	df	Level of significance
01.	Corporate Social Responsibility is an investment in our collective future.	2.4	Variance= 0.6244 t= 16.107	df=19 Tabulated value=1.729 at 5% level	Significant at 0.05
02.	Corporate Social Responsibility is part of an international drive towards transparency and accountability of business activities.	2.5			
03.	Corporate Social Responsibility involves a commitment by a company towards the sustainable economic development of the society.	2.8			
04.	Corporate Social Responsibility means the explicit commitment of corporations to systematic consideration of the social, environmental, ethical and cultural dimensions of their operations.	1.3			
05.	Organizations have added value to their V practices by giving due importance to all the stake-holders of the organization.	1.5			
06.	Corporate Social Responsibility is the continuous dedication by companies towards the socio-economic development of communities in which they operate.	1.4			
07.	Corporate Social Responsibility implies some sort of commitment, through corporate policies and action.	3.1			
08.	Corporate Social Responsibility includes the openness and transparency of the companies as well as taking into consideration, the will and expectations of their stakeholders.	3.2			
09.	The various dimensions of Corporate Social Responsibility valued by companies are national wealth, employment, environment and social programme including health and literacy.	2.1			
10.	Corporate Social Responsibility is that companies integrating social and environmental concerns in their daily business operations.	1.8			
11.	Corporate Social Responsibility is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers.	2.3			
12.	Corporate Social Responsibility is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members.				
13.	Corporate Social Responsibility policy functions as a self-regulating mechanism	1.7			

	whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms.				
14.	Corporate Social Responsibility refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.	1.6			
15.	Corporate Social Responsibility involving in business to improve the social cohesion, environmental and human rights, fair trade and the ways by which fairness can be established.	2.8			
16.	Social responsibility is a nebulous idea that should be seen in a managerial context.	2.4			
17.	Corporate Social Responsibility implies some sort of commitment, through corporate policies and action.	1.7			
18.	Corporate Social Responsibility is the obligation of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society	2.1			
19.	Corporate Social Responsibility providing services that contribute to sustainability throughout the life cycle of employees.	3.2			
20.`	Corporate Social Responsibility programmes are a powerful instrument for organizational development as well as motivational tool for employee development.	2.1			

From above analysis we conclude that the calculated value t is 16.107 which is greater than the tabulated value of 1.729 (df=19) at 5% level of significance. Therefore, the hypothesis is rejected leading to the conclusion that there is a significant difference in the attitude of employees towards CSR practices being conducted in RSP. This study attempt to examine the perception of employees working in an organization regarding the various aspects of CSR practices. However, we can conclude that the organization should also make some steps to improve their CSR practices that improves morale of the employees.

Test of Reliability

After calculating their t-values further 20 items were put to reliability test to judge the constructed scale. Further, any constructed scale with correlation coefficient ≥0.85 is considered as most sound. And for this 'split-half' method has been used for testing the reliability which was split into two halves on the basis of odd number (1,3,5..) and even number(such as 2,4,6,...) of statement. Finally, the Spearman Brown Prophecy formula was used to estimate the reliability (r) of the scale, where r = 2r/1+r. The reliability (r) of the present attitude scale has been found to be 0.83 which is nearly equal to 0.85. Now, the constructed scale may be considered as highly reliable. Table-2 contains details of the calculation of reliability(r).

Table-2: Statement showing calculation of reliability (r)

Odd(x)	X	Square X	Even(y)	Y	Square Y	XY	Result
116	5.8	33.64	110	1.7	2.89	9.86	
104	-6.2	38.44	110	1.7	2.89	-10.54	
108	-2.2	4.84	100	-8.3	68.89	18.26	Correlation(r) =305.4/sqrt 411.6*436.1 =305.4/423.67 =0.72 and
121	10.8	116.64	121	12.7	161.29	137.16	
106	-4.2	17.64	107	-1.3	1.69	5.46	

102	-8.2	67.24	106	-2.3	5.29	18.86	reliability (r) =2r/1+r= 2*0.72/(1+0.72) =0.83
107	-3.2	10.24	99	-9.3	86.49	29.76	
108	-2.2	4.84	110	1.7	2.89	-3.74	
109	-1.2	1.44	103	-5.3	28.09	6.36	
121	10.8	116.64	117	8.7	75.69	93.96	
1102/10 =110.2		411.6	1083/10 =108.3		436.1	305.4	

The scale consisting of 20 items were distributed among the respondents and collected back upon filled up by the respondents. An attitude scale with 20 items describing the attitude of employees towards corporate social responsibility programme

SUGGESTION AND CONCLUSION

The study is concluded by justifying the answers for the research objectives. The following points may be considered for the betterment of both the employee as well as business:

- The organizations must align the CSR goals with the national goals set up under developmental growth.
- Corporate Social Responsibilty programmes being implemented by Indian organization should be based on the felt-need of the local people that means it is necessary to create jobs and economic activity in rural community with a view to uplift the masses.
- Social audit should be conducted by an external agency to assess the Corporate Social Responsibilty performance.
- Government can encourage players to consider ethical, social and environmental criteria.

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