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### Nature, Opportunities and Challenges of CSR : A Case Study of Rourkela Steel Plant, Odisha

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**Abstract:** For any industry, development and welfare works under Corporate Social Responsibility (CSR) have no boundaries as it builds healthy relationship between people and company concern. CSR is no longer a charity or a matter of philanthropy. It should be imbibed in the corporate culture that leads to responsible business. In the LPG era, many multinational companies make a bee line for setting up their business activities in India. At the same time the country also faces a lot of social challenges like poverty, illiteracy, unemployment, environmental pollution, just to name a few. It is therefore very much imperative that the company be sensitized to CSR in the right perspective in order to create a long standing relationship between business and civil society for its sustainable development. This paper studies in detail the opportunities and challenges faced by Rourkela Steel Plant, one of the prestigious public sector company in Odisha in making a meaningful difference in people's life. The study encompasses the initiative taken by RSP towards employment and income generation of local people through SHG, education, environment care, health care, development of infrastructure and humanitarian goodwill which have kept RSP a place of pride not only in the corporate world but also in the heart of the people of Odisha. RSP has also spent a lot in public image building measures. An attempt is also made to find out the gap to recommend further works to be undertaken towards CSR for winning heart of the people and building brand of company.

**Key Words:** Corporate social responsibility, Multinational companies, Self Help Group, Sustainable Development

### INTRODUCTION

Business and society are part of an interactive system. It provides a model for analyzing the relationship between an organization and its market and non market stakeholders. Business has an obligation to all of its multiple stakeholders not only to its shareholders. Striking a balance among its economic, legal and

social responsibilities is a major challenges for today's business farm. The resources like land, raw material, water, power everything is acquired from the society only. The finish product they produce or the services they render are all consumed by society. Thus the wealth that possessed, the scientific skill that is acquired, the knowledge that is obtained all is secured from the society. Thus one has to discharge its debt to the society by doing some good in turn (Gadhia, 2004).

### **OBJECTIVE**

1. To study the need and identify various social responsibilities of business to the society.
2. To appreciate the various opportunity and challenges to social responsibilities of business in the society and to discharge their social obligations.
3. To review our policy and its implementation for the benefit of the society and identify the gap between the policy formation and its implementation by the organization.

### **CONCEPTUAL FRAMEWORK**

Corporate Social Responsibility (CSR) means that a corporation should be held accountable for any of its actions that affect people, their communities and their environment. It implies that harm to people and society should be acknowledged and corrected if at all possible. It may require a company to forgo some profits if its social impacts seriously hurt some of its stakeholders or if its funds can be used to have a positive social impact.

Business has become in the last half century the most powerful institution on the planet. The dominant institution in any society needs to take responsibility for whole. Every decision that is made, every action that is taken must be viewed in light of that kind of responsibility. Business creates problems and should therefore help to solve them. Corporations are citizens in our society, business often has the resources necessary to solve problems and business organizations is a partner in our society along with government and general population.

### **NATURE OF CSR**

Compliance with Laws, rules and regulation is not a part of CSR initiative. CSR is doing something voluntary for social development. For example, compliance with environmental Laws or safety norms is not a CSR initiative. But to do something more than what is required by Law for environmental protection is a CSR initiative.

There is a time lag between when the society expresses a need for Government regulation and when the Laws is promulgated. Therefore what starts as voluntary initiative by some company is turned into legal compliance when Government through regulations makes it mandatory for all the companies to takes such initiatives.

### **OPPORTUNITIES AND CHALLENGES**

CSR and sustainability are not things to be done after profit is made. The next generation of business opportunities will come from opportunities that draw from the very conception of the project.

The new company bill stipulates a CSR spend for every company having net worth of Rs 500/- crore or more, or a net profit of Rs. 5 crore or more during a financial year. It asks for a spend of at least 2% of the average net profit of three immediately preceding financial years. But while the 2% spend is voluntarily the government has made it mandatory for state run firms to explain underutilization of funds earmarked for corporate social responsibility (CSR) projects and use the unspent amount within two fiscal years. The corporate affairs ministry is also of the view that while Government does not want inspector raj but rather have a system which is self regulatory and self compliant.

Under the new norms if a company fails to fully utilize the fund within the stipulated time, the unspent money will be transferred to a sustainability fund which will be setup for this purpose. The aim is to ensure that PSUs not only allocate money towards CSR but the amount also is fully utilized. PSUs will also have to undertake at least one major sustainability project in an underdeveloped district. To steer their CSR initiatives, the firms will have to setup a two tier structure (1) a board level committee to be headed by an independent director and (2) a group of officials headed by a senior executive. One of the cornerstones of the revised policy is that only two projects instead of 10 will now be considered for evaluation at the time of signing a MOU with the Government. This will help to focus and ensure that the projects are viable and have a greater socio-economic impact.

To make a comparison of what should be done and what has been done against the challenges and opportunities of Rourkela Steel Plant, ODISSA in carrying out initiative towards Corporate Social Responsibility is discussed below.

### **ROURKELA STEEL PLANT, A UNIT OF STEEL AUTHORITY OF INDIA LIMITED**

Rourkela steel plant, the first public sector integrated steel plant of the country came up as a Green field project in the backward and remote district of Sundargarh, Odisha during 1955 with an installed capacity of 1 million tone, subsequently its steel making capacity enhanced to 1.9 million tone. It has imbibed a credo to make quality steel and spread lasting smile amongst the people living in its neighborhood. Steel Authority of India Ltd. is a name that raises hopes in the hearts of many Indians since its inception, much before Corporate Social Responsibility became a buzzword, SAIL put in system for socio economic development in the neighborhoods and communities amidst which its plants and units operate. The objective was to plough prosperity back in to the environment from which its strength emanate, to minimize inequality by providing quality education, health care, infrastructure development and employment avenue to all, to ensure that men and nature live in harmony, to preserve the originality and beauty of Indian culture while simultaneously prompting scientific temperament and modern technology.

### **CSR ACTIVITIES UNDERTAKEN BY RSP**

#### **Health and Medical Care**

Health is a fundamental right and an essential ingredient of development said Dr. Manmohan Singh. Access to health is a precondition for social prosperity.

- Ispat General Hospital (IGH), with over 700 beds established at Rourkela by RSP has developed to a world class primary, secondary and tertiary health care system that caters to both SAIL

employee as well as the people residing around the town ship of the steel plant. It is considered to be the apex referral institutions in the state of Odisha.

- In order to treat Child blindness, juvenile cataract, Squint etc. project Baljyoti has been lunched in at HathikalaBlock, in theDist. of Sundargarh, Odisha by RSP. Preliminary checkup camps are held and then after final testing, Children are recommended for eye surgery which is performed at IGH Rourkela.
- RSP has taken an initiative in partnership with Govt. of Odisha, University of Maryland,NIH of USA and NGO-JanshikshyanSansthan Rourkela to reduce neonatal sepsis and IMR in babies less than 60 days old. Neonatal sepsis is rampant in RSP effecting 100 villages with 1, 20,000 populations and one of the main causative factors for infant mortality.
- Under the universal immunization program vaccine provided by immunization against diphtheria, peruses (whooping cough) and tetanus (DPT vaccine) ,polio,BCG and measles as part of basic health package and vaccine for hepatitis B are administered by SAIL doctors at the plant location.
- Medical Aid Centers functioning at 17 peripheral villages (7, Once a weeks and 10, Twice a week) providing free medical treatment and medicine to villages.
- 2 Free Health centers constructed and operating at Jalda Resettlement colony and Chikatamati model steel village where free diagnostic facility and free medicine provided 6 days a week.
- Ispat Sanjivani, a free medical center functioning 6 days a week at Rourkela for the under privileged people from Rourkela in nearby area.
- 32 Women from peripheral villages were provided training in advanced nursing services in RSP's nursing training institute at IGH.
- Arranged Samarth Sibir Camp (single window medical assessment camp) for persons with disability (PWD) in association with Govt. of Odisha and Rourkela Municipality.
- RSP organizes health camps with the help of NGO Sankalp in different model steel villages as well as educational institution where screening of anemia is being carried out.
- RSP Chetna project offers treatment to people living in and around the steel city affected with anemia and counseling for Thalassemia and Sickle cell patient.

## **Education**

Education is the most powerful weapon which you can use to change the world said Nelson Mandela. Recognizing that education is an integral part of human development and accepting the constitutional right of every Indian to education, SAIL has been contributing to increase the literacy rates in the area of its operation. SAIL's efforts have been aligned along the National Education Policy 1986 that targets meeting gaps in public provisioning for literacy improvement particularly in the educationally backward areas.

Besides running 12schools both in English and vernacular medium starting from standard I to XII spreading over different parts in steel townships ,RSP has undertaken following initiative for educating the under privileged society of peripheral villages.

- 17 class rooms built at the peripheral villages of Jalda, Jhirpani, and Chiktamati.
- 1 hostel building of 212 square meters provided at Sobhanya Sikhyaashram. Karalakheman village, Latikata.
- Special school-Deepika Ispat Sikhyasadan started for under privileged children of Rourkela and neighboring area (class 1to V) with free education, Dress, Books and mid-day meal.
- RSP donated Rs. 27000.00 in 2009 to Rourkela Sishu Bhavan, a home for orphaned destitute children for enhancing the quality of life of the inmates of the institutes.
- RSP paid scholarships to 96 under privileged students of resettlement colony /camps amounting to Rs 10.8 Lac.
- Under public privet partnership (PPP) Rs.10 Lac. Provided to ITI Rourkela for upgrading.
- Provided financial assistance of Rs.95000 to Rourkela School of Deaf for procurement of mass hearing Aid, Computer and other items.

### **Sustainable peripheral Development**

Sustainable Development as introduced by United Nation in 1987 as development that meets the needs of the present generation without compromising the ability of future generation to meet their needs (Brutland 1987). Sustainable development is therefore about ensuring a better quality of life for all members of the society now and for future generation to come and involve stake holders at all levels from national level to common man. With an objective of improving the standard of living of the residents of peripheral villages and making this progress sustainable, Rourkela Steel Plant (RSP) has launched an array of activities under its Corporate Social Responsibility (CSR) initiative in the peripheral villages.

In the 16 model steel villages adopted by RSP, 1225 families /farmers were provided means and skill for advanced agricultural activities covering 1142.5 acre, while the landless villagers are being provided with animal and poultry farming facility. A significant step in this direction has been distribution of cattle and goats of improved breed to beneficiaries in these villages. As part of this unique program ,goats were distributed to 20 villages of Kapatmunda, Jabapanposh, Jamshera, Bijidihi and Pagrabahal of Bisra block on May 8,2008. Each beneficiary was presented with 5 goats and a male buck. In all 100 goats and 20 male bucks were given away in this occasion. The goats belonging to the special black Bengal variety that reproduce twice as fast as native variety and produce more number of off springs. More over the goats yield more milk and flesh as compared to local breeds. The beneficiaries were trained on cross breeding of goats and rearing of these improved breed of goats at the institute of peripheral development of corporate social responsibilities Department.

### **Roads and Drains**

- 4.3 KM bituminous road completed in Jalada, Jhirpani, and Liang resettlement colonies.
- 12 KM WBM completed in Jagda, Dumurjore and Ling resettlement colonies.
- 0.8 KM Balance concrete road (total 3.3 KM) completed at Chiktamita model steel village.
- 1 KM concrete drain completed at Jhirpani resettlement colony.

### **Access to Safe Drinking Water**

- 69 Tube wells completed in the peripheral villages.
- Pipe water supply scheme completed in 16 model steel villages.
- Constructed 4 dug well in the adjoining slums.
- Rain water harvesting through sump pit/ponds of 3 locations in slum area near Durgapur hills.

### **Empowering Women**

Empowering the village women and making them agent of change is one of the key focus area in CSR initiative of RSP. Taking a unit step forward in this direction, RSP initiated project Kishori as a part of which women Resource center (WRC) were setup at various villages under the four blocks of Nuagan, Lattikata, Bisra and Kuanrunda, that are now acting as the hubs of the learning and progress for younger girls as well as women. The aim of the women resource center is to empower adolescent girls and women of the peripheral villages by training them in various income generation activities, enhancing their self esteem, making them conscious of health and hygiene as well as about their social and legal rights.

The master trainers from these women resource center have been trained in different modules like food processing, mushroom cultivation, improved Chula, health management, vermin compost, verifying food adulteration.

Taking yet another major step toward empowering poor and under privileged women, RSP has setup Deepika mahila Jagruti Sansthan at sector 2 in association with Deepika mahila sanghati, a Philanthropic organization of the steel city. Another high light of the center is a handloom center for women in the premises of Santhan.

Other major incentive in empower women are

- Development of 11 SHG in 16 model steel villages in various income generation activities like Nursery raising, Collective farming, Vermi compost production.
- 66 village women were given training for development for women resource center in 10 villages.
- 80 village women trained in sewing and embroidery at IPD. Total 117 villages trained in various income generation activities.

### **Environmental care of RSP**

Massive drive has been launched by RSP for making the steel city greener by planting more than 35000 sampling. The plantation programs are lunched during several occasions every year. In single occasion called tree plantation festival at the air strip area namely IspatUpavan inaugurated by M.D of RSP, more than 700 students from different schools participated in program of plantation of sampling. The steel city is known for its greenery with a considerable contribution from RSP which had planted huge number of trees.

### **Nature of CSR in RSP**

No doubt, RSP during its operation has complied with various Laws, rules and regulations with respect to environmental Laws and safety regulations. Beyond this it has taken a lot of initiative to make the



environment Pollution free. Massive drive has been launched by RSP in making the Steel City greener by huge sampling. Similarly a lot of voluntary initiative taken for educating the underprivileged children and taking health care of the peripheral villages including empowering women and income generation of people below poverty line.

### **Opportunities and Challenges of CSR in RSP**

Rural India has a population of 700 million people spread across 638000 villages. Thus more than 60% of Indian's total population is rural by nature. Hence the CSR agenda of Corporate considers rural development as one of the important dimension. Similarly while the medical treatment is becoming costlier day by day, it creates a challenge to RSP to cope to the need of health care of the underprivileged society of the peripheral villages, it also gave an opportunity to serve more and more people in need of the same. Same is the case of literacy problem of the weaker section of the society in the nearby villages. RSP's social objective synonymous with CSR implies conducting business in ways that produces social, environmental and economic benefits to the communities in which it operates. Hence social responsibility of RSP is not a virtue but a business imperative. RSP values the opportunity and responsibility to make meaningful difference in people's lives. RSP cannot escape responsibility of spending 2% mandatory spend on CSR as per latest guidelines of Company's Rule. RSP thus has taken all care to fulfill its social responsibility towards different social groups like its share holders, consumers, employees, local community and the society at large.

### **CONCLUSION**

CSR is to be taken from company's vision to country's vision. It is no longer a charity or a matter of philanthropy. It should be imbibed in corporate culture that leads to responsible business. The Indian corporations should formulate their CSR strategy and policy that articulate its commitment to ensuring proactive efforts for balanced and harmonious socio-economic development in its area of operation so that it can create a brand image in mind of people of not only the operational area but also the community as a whole.

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