

A Study of the Corporate Social Responsibility towards Education in Patna Region

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Abstract

The roots of the business-community relationship find its traces in many ancient Indian literatures. In Bhagavad Gita, the concept of 'nishkaam karma' is promoted. In Upanishad also, it is expected from every wing of the society to work for the wellness of everybody. Corporate houses carry forward these teachings of Indian culture in modern period, through their corporate social responsibility (CSR) initiatives. Moreover, with the Companies Act, 2013, the Government has made it mandatory for the corporate houses to spend 2% of their net profit in corporate social responsibility (CSR) activities. In the Act, the Government also specified the areas where the companies may spend their CSR funds. Among the specified areas, education attracts the largest share of CSR expenditure of the companies. The present paper is an attempt to find out the CSR initiatives undertaken towards education. The paper focuses on studying the CSR initiatives undertaken by the corporate houses in Patna towards education at local level. The data was collected through various primary and secondary sources. Several data collection methods helped to triangulate the subject and thereby reach a more trustworthy result. The findings of the study provide insights about the initiatives undertaken by the company towards education. The paper also suggests various possible ways through which the company can improve its existing CSR practices.

Keywords: Corporate social responsibility, education, Patna.

Business and community are changing their age-old traditional relationships and entering into the new dimensions of association. Businesses are no longer aiming only at 'profit maximization' rather they are looking forward for 'profit optimization'. There is a growing realization that success in business can be achieved only when, along with balanced financial performance, the corporate houses will consider the welfare of the local community and the society as well. Hence, the accountability of the corporate houses is, now, shifting from shareholder perspective to stakeholder approach, which leads them to play different roles for their different players. Corporate houses are integrating a broad range of practices and activities in their business operations which are society friendly, ethical and beneficial to

community in terms of development. And, all these practices and activities are endorsed by them as ‘Corporate Social Responsibility’.

Objectives

1. To examine the CSR activities with reference to education (school, higher and vocational education)
2. To analyse the amount spent by the corporate houses on education CSR activities
3. To find out the outcome of the education CSR activities from the stakeholders
4. To determine and suggest additional/improvement in the present CSR activities to enhance educational development

Profile of the Respondent Corporate Houses

The profile of the respondent corporate houses is presented in the table.

S. No	Name of the Company	Industrial Sector	Ownership Structure	Engaged in CSR Activities	Logo
1.	Dainik Jagran	Print Media	Private	Before the mandatory CSR Law	 दैनिक जागरण
2.	Indian Oil Corporation Limited	Petrochemical	Public	Since inception in 1964	 IndianOil
3.	Ircon International Limited	Construction	Public	Since 2011	
4.	Life Insurance Corporation of India	Insurance	Public	Since inception	

5.	Mahindra & Mahindra Limited	Automobile	Private	Since inception	
6.	National Thermal Power Corporation Limited	Power Generation	Public	Established NTPC Foundation in 2004	
7.	State Bank of India	Banking	Public	Since 1973	
8.	TATA Steel	Iron and Steel	Private	Since inception	
9.	Vodafone Idea Limited	Telecom	Private	Since 2018 after merger	
10.	Zee Media Corporation Limited	News Broadcasting	Private	Established Subhash Chandra Foundation in 2016	

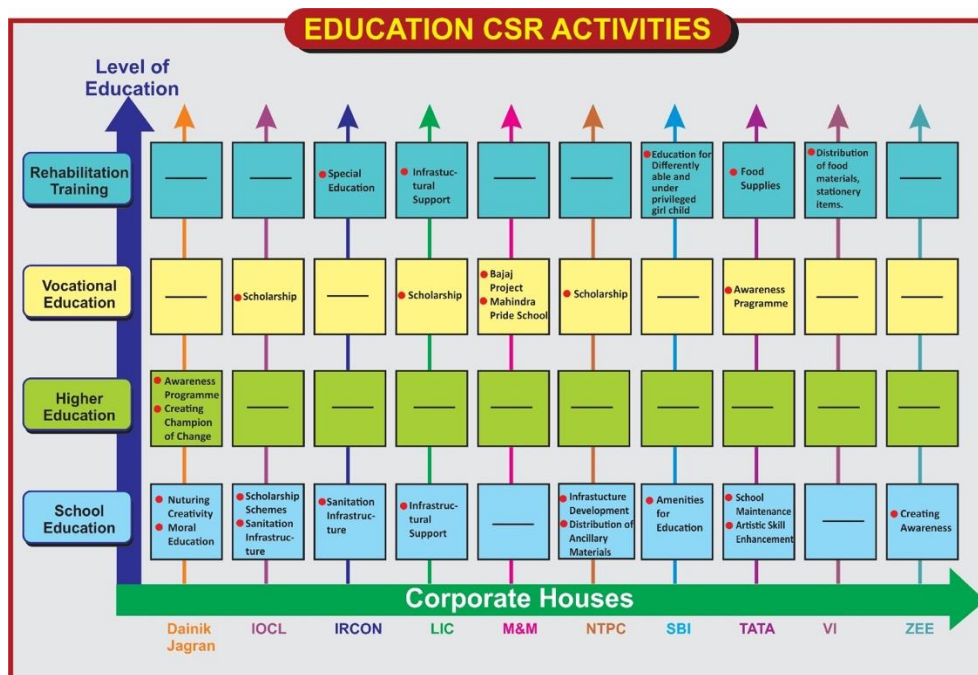
The table depicts that total 10 corporate houses are considered under the study. The corporate houses belong to different industrial sectors such as print media, petrochemical, construction, insurance, automobile, power generation, banking, iron and steel, telecom and news broadcasting. Distinct industrial characteristics are major drivers of the outcomes and costs of CSR for companies that strategically integrate CSR into their business models (Siegel and Vitaliano, 2007). Out of 10 corporate houses 5 belong to private ownership structure and rest 5 belong to public ownership structure. Many corporate houses are engaged in CSR activities since their inception or before the mandatory CSR Law. The involvement of the corporate houses in community welfare activities is depicted through their logos also. For example, the logo of Dainik Jagran is rising Sun showing the growth of community. The logo of LIC of

India shows protection of life. The logo of Mahindra and Mahindra Limited illustrates the road ahead. The State Bank of India keeps people at the centre of their service.

CSR Activities with reference to Education

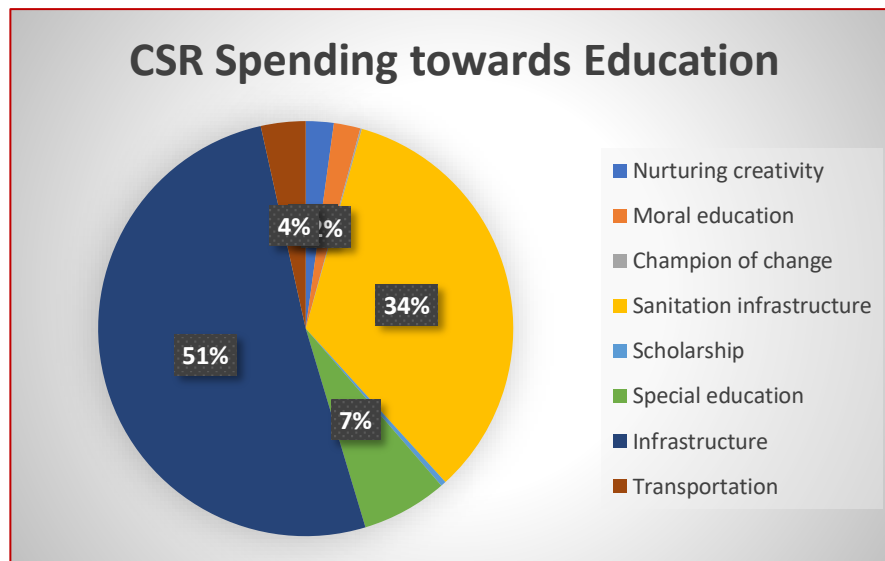
The education CSR activities of the corporate houses are examined at four levels namely school education, higher education, vocational education and rehabilitation training.

- Almost all the corporate houses spend CSR funds to improve school education. The activities include nurturing creativity, moral education, infrastructural development, sanitation infrastructure, creating awareness, transportation, scholarship schemes, maintenance work, enhancing artistic skills, distribution of ancillary materials and amenities for education.
- In comparison to school education, higher education gets less importance in education CSR priority areas. Out of 10, only one corporate house arranges awareness programme and other activity for improving higher education. The reason may be school education, being the formative years, have the potential to generate long lasting positive impact for the corporate houses.
- 50% corporate houses invest CSR funds for vocational education. The activities mainly involve scholarship schemes. Other activities are BAJA project, skill development school and awareness programmes.
- Again, 50% corporate houses spend funds for rehabilitation training. The activities include infrastructural support, food supplies, distribution of stationery items and other gift hampers, meeting running expenses and providing hearing aids and other equipment.



CSR Spending towards Education

Educational needs are very urgent for people to make best use of resources. Efficient spending in education promotes well educated citizen and enables vulnerable children to use opportunities coming to them. As per a study of NASSCOM Foundation (2016), 60-70% CSR contributions of companies are spent on education initiatives. According to the India CSR Outlook Report (2017), in the financial year 2016-17, education projects with skill development received 32% of the CSR investments, forming the highest CSR contribution to any sector.



The above pie chart is prepared on the basis of spending in education made by the 10 companies in Patna region between financial years 2012-13 and 2019-20.

- The whole spending is divided into 8 parts viz. nurturing creativity, moral education, champion of change, sanitation infrastructure, scholarship, special education, infrastructure and transportation.
- The data reveals that infrastructure and sanitation are the two areas where most of the CSR spending had been done. Education is lacking basic infrastructure. So, companies are investing in these areas to improve quality of education.

Outcome of Education CSR Activities for Surrounding

The education CSR activities were evaluated through the interview schedule applied on the beneficiaries. The implications are shown through word cloud made using the software *Atlas.ti8*.

Usefulness of Activities

The word cloud depicts that the education CSR activities are very useful.

- The school students get maximum benefits from the activities.
- They get clean environment to study.
- The activities contribute to the overall development of the students.

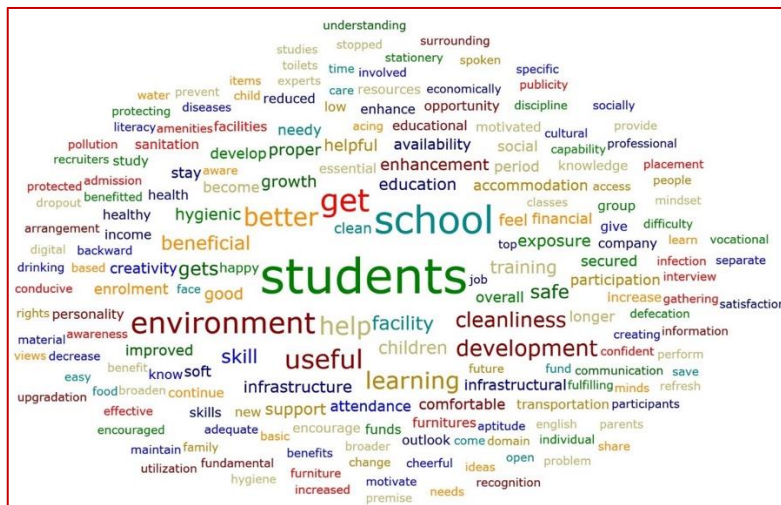


Figure: Usefulness of Activities

Expectations and Opportunities in CSR Activities to Enhance Local Level Education

This objective is achieved through the interview schedule applied on the beneficiaries. They were asked to highlight potential areas to improve existing CSR practices. The implications are shown through word cloud made using the software *Atlas.ti8*.

Potential Areas where the Companies can Support



Figure: Potential Areas

The areas which were highlighted by the beneficiaries are sports, equipment, more activities, infrastructure, financial help and more development programmes.

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