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Higher Education Institutes: Prospective CSR Agents

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Abstract

Corporate Social Responsibility is attracting international attention now days, but it is included in Indian culture. We may find plenty of Indian corporates contributing well for social and national development through CSR. Social Responsibility is really not a task of any individual sector or any individual NGO. It is a collective responsibility of all the stakeholders in the country. It is also to be taken into consideration that, CSR doesn't only mean 'corporates expending for education'. There are many areas where the concentration of corporates is required like health awareness, rural development, women empowerment, environment protection, financial inclusion, public welfare infrastructure, rural entrepreneurship, agricultural revolution etc.

The obstacle is that; the corporates cannot afford to invest their resources to find out or having an in depth investigation of proper area where they can divert their spending through CSR. Higher Education Institute has the students and academicians as their strength which can help the corporates. Students and academicians can do research and find such way of CSR expenditure which will help society for 'inclusive and sustainable growth' as well as it will also be 'corporate indirect benefit'. This experiment will provide vision of CSR investments to Budding entrepreneurs i.e. students.

Keywords:

Corporate Social Responsibility (CSR), Higher Education Institutes, NGO, Students participation, Inclusive and sustainable growth

Introduction

In recent years Corporate Social Responsibility (CSR) activities are regarded as an important issue. Companies take benefits of CSR to create a positive corporate image for their potential growth in long term. It has been identified as important element for sustainable corporate management.

In past decades, a large number of corporates have been allocating a considerable amount of time and resources to Corporate Social Responsibility (CSR) strategies – i.e. the voluntary integration

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of social and environmental concerns in their companies' operations and in their interaction with stakeholders (European Commission, 2001). According to the latest UN Global Compact – Accenture CEO Study (2010), 93 percent of the 766 participant CEOs from all over the world declared CSR as an "important" or "very important" factor for their organizations' future success.

In practice it has found that those businesses that have been able to adapt to a changing environment are not only developed economically but also socially and ethically. A business aim based on a various strategy seeks favors from its shareholders on one hand and on the other hand responds to all stakeholders involved either directly or indirectly in the business process.

Objectives of the Study: *The objectives are enumerated below.*

1. To study the conceptual framework of CSR funding & reporting
2. To identify the Challenges before the corporates for implementation of CSR activities
3. Higher education institute as a CSR Agent between corporates and society
4. To study the benefits accruing to the business and society in compliance with CSR funding as per Companies Amendment Act 2013

Review of Existing Evidence

The term "corporate social responsibility" became popular in the 1960s and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed.

Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. McWilliams and Siegel's article (2000) published in Strategic Management Journal, cited by over 1000 academics, compared existing econometric studies of the relationship between social and financial performance. They concluded that the contradictory results of previous studies reporting positive, negative, and neutral financial impact were due to flawed empirical analysis. McWilliams and Siegel demonstrated that when the model is properly specified; that is, when you control for investment in Research and Development, an important determinant of financial performance, CSR has a neutral impact on financial outcomes. According to European commission CSR is "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Corporate social responsibility is broadening all the time into a belief that economic, social and environmental objectives can be pursued together and in harmony.

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Statement of Problem:

As per the relevant provisions under the Companies Act, 2013 it is an obligatory provision to provide a contribution of 2 % of the average net profits as CSR provision for the companies having net worth of rupees 500 crore or more; or turnover of rupees 1,000 crore or more; or net profit of rupees 5 crore or more during any financial year.

Research Methodology

It is based on secondary sources. The finding is based on descriptive study.

Challenges before the corporates for implementation of CSR activities

Non availability of community participation in CSR Activities: it is a major problem commonly encountered by most of the corporate houses.

Problem of Transparency: Lack of transparency is one of the major issues noticed.

Visibility Factor: The role of media in highlighting good cases of successful CSR. This apparent influence of gaining visibility and branding exercise often leads many NGOs to involve themselves in event-based programs; in the process, they often miss out on meaningful grassroots interventions.

Narrow Perception towards CSR Initiatives: NGOs and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach.

Non-availability of Clear CSR Guidelines: There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies.

Lack of Consensus on Implementing CSR Issues: There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention.

Higher Education and CSR

Higher education institutions in general and universities in particular, have undergone in-depth transformations in the last decades, affecting and being affected by socio demographical, political and economic phenomena. As higher education has become a highly competitive “mature industry” and a diversified sector, it was necessary for universities to reinvent themselves in response to new challenges and opportunities. Today’s strong universities stand out by their ability to follow their vision and to preserve their identity even amid significant shifts on the global higher education market (e.g., the increased internationalization, the marketization and deregulation of universities). Moreover, the presence of many stakeholders and the application of

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theories and concepts that have been successful in the business world in an effort to gain a larger share of this market have clearly demonstrated that universities behave more and more as entrepreneurial universities in the current knowledge economy (Ramachandran, 2010; Hemsley-Brown and Oplatka, 2010; Petruzzellis and Romanazzi, 2010). The growing concern of nowadays universities to satisfy the needs of different stakeholders (e.g., students, parents, employees, public and private companies, society) and to deal with a profound ecological and social disruption has imposed them a greater social responsibility (Kunstler, 2006). At the turn of the twenty-first century, universities cannot ignore governments and corporations (Slaughter and Rhoades, 2004). Firstly, "the government induces universities to act according to the public interest" (Bok, 1982, pp. 47-48). Secondly, universities have a crucial role to play in optimizing the way society is managed, in attaining the objective of ensuring major improvements in people's lives. On the other hand, universities have become increasingly active in identifying know how and its transfer towards individuals and corporations (Bok, 2003, p. VII)

Current scenario of CSR in India

A globalized economy and the privatization of higher education institutions have transformed the nature of academia. Adopting a business-like approach which emphasizes a strategic CSR framework is key to survival in this increasingly competitive arena. It does not appear as a surprise to see universities and colleges discover the opportunity to move the focus beyond the classroom into their own institutional operations. Universities, as the centers of knowledge generation and sharing, perform a very important role in addressing the world's socio-economic and environmental issues by promoting sustainable solutions.

To enable educational institutions to cater effectively to changing economic and industry needs, our educational policy should encourage greater collaboration between industry and universities in curricula and course design as well as industry research. There are several examples of industry – academia collaboration in India. ICICI Bank has worked closed with deans and professors of several colleges to help develop course content and to provide visiting faculty to these colleges. Bharti Tele-Ventures has set up a telecommunication training school at IIT, Delhi. Infosys has established campus connect, an initiative to enhance the quality of teaching in technical colleges in India. Infosys also provides 26 Ph.D. scholarships in the IITs, the IIMs, IIS and a few engineering colleges. The Government should also encourage more collaboration between industry research institutions and colleges through tax incentives and a deregulated environment for research

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CSR Approaches in India

Based on the study which presents the following chart that depicts the major approaches used by top Indian corporations to pursue their CSR activities

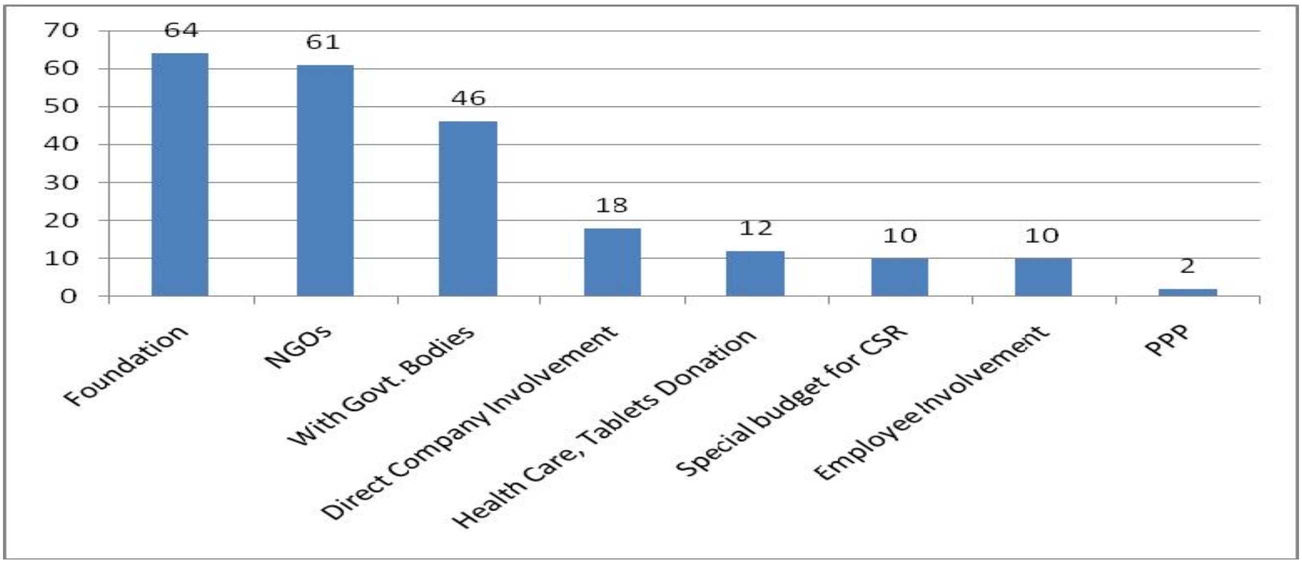

Chart 1: CSR Approaches adopted by Firms in India
(Numbers in the chart denote, the number of companies out of 200 companies in our sample)

Conclusion

Lifelong learning starts at the University level and therefore higher education institutions should take an early effort to lead in creating a platform for joined hands together with higher education institute and corporates. The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time. Higher education institute will provide a student base (that is a manpower) to conduct the CSR activities of the corporates. In turn off that corporates will provide a CSR funding to Higher education institute. Ultimately this will create a multidimensional development to society and community at large, to corporates and higher education institutes.

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