

Corporate Social Responsibility of Vedanta : A Study on Improvement in Health Condition in Tribal area of South Rajasthan

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Abstract

Corporate Social Responsibility is understood and implemented differs greatly for each company and country. Moreover, it is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustain ability. Tribes are those who lag behind in the growth part and still fighting for their lively hood and health improvement. This paper analyses the CSR activities conducted by the Vedanta limited in the Tribal belt of Rajasthan for improving health of the Tribal people. A sample of 324 tribes were taken and analysed using Multiple regression method and variables like Imp_Health_1, Imp_Health_10, Imp_Health_4, Imp_Health_5, Imp_Health_6, Imp_Health_9 and Imp_Health_3 revealed that importance of CSR in the selected geographical area of Rajasthan.

Keywords: CSR, Health, Tribal Belt, Rajasthan

Introduction

CSR has attracted attention from businesses and stakeholders in regard to its benefits and what it is. CSR has been defined differently by different writers based on what they perceive about the concept. Having learnt from the devastating effects of corporate social irresponsibility, companies are focusing on the impacts of their operations not only on profits but the society and environment at large. Therefore, CSR refers to "the ethical principle that an organization should be responsible for how its behaviour might affect society and the environment"(Jobber & Ellis (2012). From 1960, "corporate social responsibility" has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed (De George, 2011). Investopedia defines that CSR is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups.

India is a country of villages and its development is synonymous with the development of the people living in rural areas. India is a vast and second most populous country of the world. Nearly 70 per cent of the country's

population lives in rural areas where, for the first time since independence, the overall growth rate of rural population has sharply declined, according to the latest Census (Census, 2011). Out of the 121 crore Indians, 83.3 crore live in rural areas while 37.7 crore stay in urban areas, (Census of India's 2011). Provisional Population Totals of Rural-Urban Distribution in the country, has released for the first time since independence, the absolute increase in population is more in urban areas than in rural areas (R.K. Singh, Union Home Secretary). The level of urbanization increased from 27.81 per cent in the 2001 Census to 31.16 per cent in the 2011 Census, while the proportion of rural population declined from 72.19 per cent to 68.84 per cent. But a big part of this population has been leading an uncertain economic life due to non-synchronization of employment opportunities in agriculture sector because of the fast growing population. Rural development has been receiving increasing attention of the governments across the world. In the Indian context rural development assumes special significance for two important reasons. First about two thirds of the population still lives in villages and there cannot be any progress so long as rural areas remain backward. Second, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.

Reviews of Literature

The commitment of Companies on CSR initiatives on rural development is different, the importance of CSR activities on rural areas and its necessity to the companies. 40 Companies were agreed to give their CSR activities on Rural Development. In accordance to the CSR activities in SPSR Nellore Dist companies initially provide 484 solar water motor sets to the rural people for their development relating to livelihood activities. Some companies implement planting, sanitation and road facilities on their rural adopted areas. To know the level of CSR impact on the rural development the researcher should gather the information from the beneficiaries who are adopters by the companies as said in the Stakeholder's theories which are supporting the research aim and objectives (Carroll, 1979). To enhancing the understanding of CSR impact on rural development, research must be focus on the specific CSR initiatives and activities through

which companies try to implement a theoretical and practical commitment to the areas of Livelihood, Educational, Health, environmental and Infrastructure (Arora&Puranik 2007; Wood, 2010). At the moment, there is a recognized dedicated study on this topic (Bhupathi & Guravaiah, 2010).

Alexander Dahlsrud (2008) done research on CSR Dimensions and reported that CSR has five dimensions: Environmental dimension Social dimension Economic dimension Stakeholders dimension Voluntariness dimension. Nilesh R. Berad (2011) done research on and reported that education is the most preferred area of CSR, followed by health care facilities and rural development and livelihood.

Nippatlapalli and Suja S. Nair (2016) in their study on effect of CSR on rural development focused on gaps identified in the literature regarding the implementation of CSR at the social level and the initiatives that influence this implementation. To measure the impact on rural development ,five areas were classified i.e .education. environment, health, livelihood and infrastructure and analysis made on the basis on multiple correlation. Finally the study found that the effect of CSR on rural development is positive.

Tauffiqu Ahamad, Abhishek and Rajesh Kumar Shastri (2014) found in their study thatthe private sector is more involved in CSR activities than public / government sector for Rural development. The leading areas that corporations are working for rural development are education, health, environment, livelihood promotion and women's empowerment.

Subhasis Ray (2012) in his study found that all companies focused on education,health and livelihood but there was no example of innovation in service conception and delivery that would result in sustainable change in these areas. Each company would draw up its own CSR plans and programmes that are more aligned to its area of operation.

Research Methodology

Research methodology is a way to systematically and logically solve a problem, understand the process, analyzes methods in addition to the information obtained.

Sampling Design

This research includes the CSR spending of top ten cement companies of the country selected on the basis of their sales and production capacity.

Size of sample: the sample includes 10 cement companies and 58 respondents' working in the finance or accounts department in the selected companies.

Data Collection Methods

- Primary Data:** the Primary data on the satisfaction were gathered from the respondents working in the companies by using schedule method and their views are gathered by observation.
- Secondary Data:** the secondary data of the company's profitability and CSR spending were gathered by using annual reports of the companies.

Data Analysis

First the Beneficiariessatisfaction were analysed and the views of the respondents

H_1 = There is a significant impact of CSR for improvement in HEALTH condition as rural development on the satisfaction level of the beneficiaries.

Descriptive statistics shows the regression analysis of impact of CSR activities (for improvement in HEALTH condition as rural development) on the satisfaction level of the beneficiaries. The data was collected from 324 beneficiaries of the selected geographical areas for their satisfaction about the activities done for improvement in HEALTH condition by various tests. The 7 variables entered in the model are satisfaction due to improvement in HEALTH condition and their reasons of the satisfaction. The mean values of the satisfaction were 4.2958 with 0.81322 as standard deviation.

Table 1 : Multiple Regression for Improvement in Health Condition

Descriptive Statistics				
Variables	SPSS Name	Mean	Std. Deviation	N
	Satisfaction	4.2858	0.80322	324
Health check-ups camps	Imp_HEALTH_1	4.0534	0.75324	324
Support & Association with Special Care hospitals	Imp_HEALTH_2	4.3139	0.68881	324
Water treatment and improved water supply facility	Imp_HEALTH_3	3.821	1.07293	324
Investment in Hospital buildings	Imp_HEALTH_4	4.2928	0.76038	324
Private Blood Banks by companies	Imp_HEALTH_5	3.9301	0.97034	324
Mobile clinics by companies	Imp_HEALTH_6	4.3456	0.73502	324
Encourages safety activities such as accident prevention initiatives	Imp_HEALTH_7	3.3245	0.90941	324
Provide medical subsidies	Imp_HEALTH_8	2.8386	1.06409	324
Health and safety education programs	Imp_HEALTH_9	2.8527	1.04275	324
Conduct health improvement programs to encourage awareness for parents and children health	Imp_HEALTH_10	2.6907	1.0724	324

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
7	.789 ^g	0.614	0.605	0.49467	0.007	5.663	1	323	0.008

g. Predictors: (Constant), Imp_HEALTH_1, Imp_HEALTH_10, Imp_HEALTH_4, Imp_HEALTH_5, Imp_HEALTH_6, Imp_HEALTH_9, Imp_HEALTH_3

ANOVA ^h						
Model		Sum of Squares	df	Mean Square	F	Sig.
7	Regression	116.85	7	16.684	65.537	.000 ^g
	Residual	70.285	316	0.245		
	Total	187.145	323			

g. Predictors: (Constant), Imp_HEALTH_1, Imp_HEALTH_10, Imp_HEALTH_4, Imp_HEALTH_5, Imp_HEALTH_6, Imp_HEALTH_9, Imp_HEALTH_3 h. Dependent Variable: Satisfaction

F. Coefficients ^a										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
7 (Constant)	0.496	0.245		1.972	0.038					
Imp_HEALTH_1	0.763	0.036	.725	16.689	-0.01	0.575	0.699	0.606	0.712	1.376
Imp_HEALTH_10	-0.352	0.032	-.455	-8.051	-0.01	-0.198	-0.446	-0.307	0.416	2.34
Imp_HEALTH_4	0.353	0.039	.344	7.428	-0.01	0.444	0.399	0.264	0.626	1.561
Imp_HEALTH_5	-0.24	0.036	-.278	-5.066	-0.01	0.101	-0.301	-0.197	0.442	2.204
Imp_HEALTH_6	0.158	0.047	.154	2.926	-0.006	0.113	0.164	0.098	0.485	2.011
Imp_HEALTH_9	0.175	0.037	.239	3.943	-0.01	-0.037	0.221	0.136	0.361	2.687
Imp_HEALTH_3	-0.1	0.028	-.119	-2.392	0.008	0.183	-0.152	-0.098	0.531	1.84

a. Dependent Variable: Satisfaction

The numbers of models being entered in the model are seven. R is the Pearson correlation value and R square is the correlation variance between the observed and predicted value. In seventh model the R is valued at 0.789 with 0.614 R square as dependent

variables so the proportionate of variance R-Square in the dependent variable (importance of CSR for rural Community development). This shows overall measure of the strength of association as 36.5 percent in outcome of variances.

The adjusted R square is computed with the formula of $1 - ((1 - R^2)(n-1)/(N-k-1))$ when k means the importance is 61.4 percent with standard error of 0.49467 with a df (1,276) at a significance level of frequency 0.018. Analysis of Variance (ANOVA) between the variables revealed the outcome variables under these categories observed are regression, residual and total with values are consecutively 116.860, 70.295 and 187.155. The total variance explained by the independent variables (regression 116.860) and the variance which is not explained by the dependent variable (Residual 70.295), df (7, 256) with mean square value of df1 is 116.860 and df2 is 70.295. F is 65.547 (16.694/0.255) which is significant as $p < 0.05$ thus the regression model is found as good (Fit) for the analysis of data. The model is entered into this table is seventh. The variables entered in this analysis are constants, means importance. The first variable is constant, also referred as Y intercept, the high of the regression line when it crosses on Y axis. In the other word, this is the predicted values of the average satisfaction of beneficiaries on CSR for rural community development, when other variables are beta—the value of standardised of the regression equation for predicting the dependent variable from the independent variables. The regression equation is presented in many different ways as mentioned in the table the coefficient for mean importance Imp_HEALTH_1, Imp_HEALTH_10, Imp_HEALTH_4, Imp_HEALTH_5, Imp_HEALTH_6, Imp_HEALTH_9 and Imp_HEALTH_3.

Conclusion

In the analysis it has found that the relationship between importance and variables of CSR importance is positive which is fit for regression analysis. Therefore regression analysis is presented in the above table clearly shown that the beta coefficient value of 50.6% yield by importance. This means that if these variables increase the satisfaction of tribe's community. Further the respondents revealed that CSR has made improvement for variables like Health check-ups camps (Imp_HEALTH_1), Water treatment and improved water supply facility (Imp_HEALTH_3), Investment in Hospital buildings (Imp_HEALTH_4), Private Blood Banks

by companies (Imp_HEALTH_5), Mobile clinics by companies (Imp_HEALTH_6), Health and safety education programs (Imp_HEALTH_9), and Conduct health improvement programs to encourage awareness for parents and children health (Imp_HEALTH_10). Hence coming towards the significant level there is a significant differences and it accepts the hypothesis. And mean that impact of CSR activities increased satisfaction from rural development activities of the Beneficiary.

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