

HDFC Bank: A Case For Corporate –NGO Partnership for Successful CSR Programs

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Abstract: The introduction of Mandatory CSR norms by the Companies Act 2013 paved way for a systematic corporate participation into social development. The act also mentions that NGO's should be involved which would help in proper channelization of funds towards a positive social change. It gives a better scope for corporates and NGO's to collaborate effectively to work at grass root level to affect any systematic social change. In the light of this law this paper is an attempt to see how HDFC Bank has endeavoured to successfully collaborate with various NGO's to bring about sustainable social change.

Key words: *Corporate NGO partnership, Companies Act 2013, Corporate Social Responsibility, Social Change.*

I. INTRODUCTION

Government of India has made CSR mandatory through Section 135 of the companies Act 2013 where in every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year is required to spend, in every financial year at least 2% of the average net profits of the company made during the three immediately preceding financial years. The company is expected to spend this amount in the area in which it is operating.

The act also specifies that the Board of a company may decide to undertake its CSR activities approved by the CSR committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under Sec 8 of the Act.

According to the World Bank, an NGO is a "Private organisation that pursues activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development" (Malena 1995)

HDFC Bank was incorporated in August 1994 with its registered office in Mumbai, India. The Bank commenced operations as scheduled commercial Bank in January 1995, their core values being excellence, customer focus, product leadership, people and sustainability.

CSR at HDFC Bank is about developing a business model that creates economic value and contributes to a healthy eco-system and strong communities.

The CSR department of HDFC Bank assists in implementation and monitoring of the CSR projects/initiatives with the involvement of various bank employees/units or through implementing agencies like NGO's, Trusts and societies.

"Experience shows that a participative model always yields better results and ensures involvement, ownership and commitment to the cause, thereby leading to a sustainable relationship and creating a sense of belonging" (Sanjay K Agarwal, 2008)

"NPO's or NGO's can play an important role in CSR. They can play a very proactive role if they work to facilitate social responsibility by joining hands with the corporate and government. They can work as a conscience of the business world"(Madhumita Chatterji,2011)

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"CSR Act 2013 is potential enough to trigger social and economic development. In a civil society, non-governmental organisations (NGO's) have the power to influence individual behaviour and the institutions for a better cohesive living for the well – being of all. NGO's play a critical part in developing of society, improving communities and promoting active citizen partnership" (Nirbhay Lumde, 2018)

"NGO's with expertise, professional competence, can play an important role in helping the corporate houses in implementation of CSR projects. NGO's may be encouraged to avail corporate support, both financial and managerial for last mile connectivity in addition to help from the government; this will avoid duplication, optimize use of public fund and ensure better and faster development" (Sanjay Kumar Panda, 2018)

II. OBJECTIVE

The objective of this paper is to analyse the role played by Corporate – NGO partnerships in building a sustainable environment.

III. LITERATURE REVIEW

The United Nations conference on the environment and development held in Rio De Janeiro in 1992 declared that partnerships are key for sustainable development. (Sylvaine Poret,2014)

To create equitable wealth, all stakeholder's need to collaborate, government for scale, NGO's for empowerment and social mobility, businesses to create financial and project management capability and innovation (S. Sivakumar)

The expertise and skills of non-profit or NGO's complemented with corporate resources and strengths, has an immense power to bring a turnaround positive change and help shape the lives of innumerable underprivileged and poor communities. (Pooja O Murada)

NGO – CSR partnerships will be critical for welfare delivery in India in the future and could be progressively calibrated to fit the template of people public private partnerships in development to bring about social change and policy formation (Anuja Jayaraman,2018). For NGO's, corporates are not only a source of consistent funding but also access to strategic resources. An IT giant for example can provide technology, processes and support for educational initiatives. Companies not only must allocate funds but also work with the NGO on CSR interventions. It requires the need for effective monitoring and evaluation mechanisms in place. (K. Swarnalathan, 2017)

Simenson mentioned in his paper that four guiding principles introduced by Cone et al: can be used for successful NGO-Corporate partnerships for CSR programs.

IV. METHODOLOGY

For this study the case of HDFC Bank has been taken into consideration.

For developing the case, Sustainability reports of the bank and the information from the website was collected.

The collected information was then analysed and the case has been developed.

V. CASE STUDY

CSR at HDFC Bank

HDFC Bank believes that a nation truly develops when its communities find sustainable means of livelihood. Under HDFC Bank Parivartan, the banks CSR initiative, they reach out to communities and enable them to shift from a vicious cycle of poverty to a virtuous cycle of growth. This approach empowers millions to be self - reliant and in effect, become partners in the growth of the nation.

Their CSR initiatives focus on Rural development, Skill development and Livelihood enhancement, Promotion of Education, Healthcare and Hygiene and Financial Literacy and Inclusion.

The bank partners with NGO's such as, Aga Khan Rural Support Programme (India), AROH foundation, FXB India Suraksha, Magic Bus India Foundation, Myrada, Orion Edutech, Shramik Bharto, Watershed Organisation Trust (WOTR) to name a few.

Rural Development

HDFC Bank Parivartan is committed to empower and enable lives across rural India through initiatives such as construction of irrigation plants to installation of solar lamps etc. Through such programs around 3,61,000 households have been covered and 1100 villages have been impacted.

Drought mitigation in Jalgoan District: in partnership with KVGPS the bank has created 31 ground water recharge structures.

Access to renewable energy: the bank through WOTR has constructed water harvesting structures in eight villages of Chindwara district of Madhya Pradesh.

Community Based Solar Irrigation system: HDFC Bank with NGO partner – Aga Khan Rural Support Programme India, adopted a community based group irrigation system as a part of innovation.

Integrated farm model: HDFC Bank with NGO partner Gramya Vikas Munch, planned and implemented integrated farm model and promoted a farmer training school that has helped farmers earn better incomes.

Through such programs mentioned above Parivartan has built close to 40,000 kitchen gardens, installed 7,800 water conservation structures including checkdams, diversion channels, community ponds etc, planted 10 lakh trees, installed around 28,800 solar lights and solar microgrids for sustainable agriculture.

Skill Development and Enhancement

HDFC Bank Parivartan focuses on equipping people with skills that can help them generate a steady income and contribute to a thriving economy. Through such programs around 7,65,000 women have been empowered and more than 1,00,000 individuals have been trained.

Capacity Building and livelihood promotion: HDFC Bank Parivartan and FXB India Suraksha focus on Agro and allied livelihood activities such as broom-making and bee-keeping. This project has helped generate employment and alleviate poverty in the community by promoting enterprise development.

Training Program in Varanasi: HDFC Bank through Orion Edutech in UP offered a training program that helped youth in career assessment. This program is designed as per NSQF standard and SSC guidelines for a variety of Job roles depending on the aspirations of the candidates as well as the existing qualities and skill set.

Promoting modern agricultural practices: HDFC Bank Parivartan through SIED, promotes modern agricultural

practices actively working in 11 villages in Yavatmal district, Maharashtra.

Promotion of Education

HDFC Bank Parivartan's Education programs focus on teacher training, scholarships, career guidance and infrastructure support. Through their efforts they aim to enhance the quality of learning across the nation. Through these programs around 1,87,000 schools have been covered and around 15,20,000 teachers have been oriented.

Promoting Interactive teaching technique: HDFC Bank Parivartan through Magic Bus India Foundation initiated project Disha in 172 schools across 143 villages in the states of Chattisgarh, Rajasthan, Madhya Pradesh and Maharashtra to reach out to more than 17,500 students.

This project is to create an environment that enables learning, in the domain of academics and life skills. This is achieved by providing learning aids, improving teaching effectiveness through training and monitoring of teachers, encouraging parent participation through activating and strengthening the School Management Committees along with the goal of student learning levels in reading and numeracy.

Promoting Innovations in Education: Through ZIIIEI (Zero Investment Innovation for Education Initiative), HDFC Bank parivartan identifies Zero/Minimal cost at grassroots level innovations that have led to improvement in existing teaching systems and processes. These ideas are disseminated to all government schools for adoption.

This program has covered all 75 districts in the state with training inputs delivered to 10,000 government officers, 5.5 lakh teachers and 1 lakh head teachers. Currently 75,000 schools in the state of Uttar Pradesh are implementing Zero-investment innovations to improve the quality and reach of education.

In 2017, with encouragement and support from the Ministry of Human Resource Development (MHRD), Government of India, ZIIIEI is now making its way to 12 states across India. The project aims to create long-term, widespread improvement in the quality of education.

Healthcare and Hygiene

Community led sanitation campaigns, promoting hygienic conditions through appropriate waste water disposals and providing safe drinking water are few initiatives taken under this category. Through this programs 53,000 beneficiaries have been identified and around 23,250 sanitation units have been constructed.

Individual Household Sanitation: HDFC Bank Parivartan partners with NGO's across 12 states to make villages open defecation free. This program has helped in the construction of more than 7,000 individual household toilets across 12 states in the country with 33 villages declared as open defecation free villages.

School Sanitation program: HDFC Bank parivartan has provided support in establishing sanitation infrastructure in over 900 schools in about 9 states across the country.

Along with the construction of toilets a thorough WASH (Water, sanitation and Hygiene) programme is promoted in schools to inculcate good hygiene practices.

Financial Literacy and Inclusion

Through the educational camps, the HDFC Bank Parivartan aims to impart essential knowledge about savings, investments and access to organised sources of finance. These efforts have brought about economic upliftment and benefitted millions across the nation. Through this programs around 9,85,000 financial literacy programs have been conducted and around 81,35,000 participants have been covered.

VI. CONCLUSION

The case study of HDFC Bank showcases that partnering with NGO's at grassroots levels helps the organisation in bringing about tremendous improvement in the lives of people which in turn adds value to their lives and brings about sustainable development.

We see that with the help of such programs the lives of rural people has changed tremendously. They have better access to sanitation facilities, sustainable agricultural processes are helping them produce better quality food grains and alternate agricultural processes help farmers earn better. With the establishment of around 7500 self-help groups women in the rural areas are trained as dairy entrepreneurs that has improved their standard of living. The children have access to better education facilities with about 19.60 lakh teachers trained and better equipped libraries.

Section 135 of Companies Act 2013 has paved way for collaborations for sustainable growth and organisations such as HDFC Bank have made use of this opportunity to the fullest to bring about development at all levels keeping in mind their core values.

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