

# Corporate Sector Responsibility in Alleviation of Poverty: A Case Study of Selected Cement Industries

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**ABSTRACT** - Rapid industrialization has been demanding more valuable responsibilities towards the society which increases the role of corporate sector to a greater extent in India. Thus, achieving corporate social responsibility is a necessity for over all sustainable development & good quality of life. The reason for carrying out this research study is that CSR balances the business operations with social values. Therefore the present CSR study is undertaken with a view to analyze awareness regarding CSR activities, its social values & impact on society in cement industries in these regard. For measuring CSR activities in cement industries various factors like awareness, satisfaction about CSR activities, various factors responsible for sustainable development, poverty eradication, good health & well being, quality education, gender equality, sanitation, decent work & economic growth, responsible consumption & production, peace & justice, partnership for goal were observed & undertaken for the study. The questionnaire contained various aspects of CSR & how it is administered for the better welfare of the society. Personal interviews and observations were also conducted for better accuracy. For this propose simple random sampling method is used. CSR activities must focuses on ensuring company growth in a sustainable manner with better & fairness practices to all their stakeholders. In different activities conducted by cement companies regarding CSR due importance must be given to improve the quality of life of worker. Proper partnership between corporate, trade unions, NGOs & government will certainly improve CSR in India. The study implies that wherever possible allocate separate financial budget for CSR activities. Monitor CSR activities transparently and fairly. A long term CSR strategy must be adopted while ensuring stakeholders benefit. **Originality:** Until now, no researcher has reported such type of empirical study, and the available literature is limited with respect to CSR in terms of poverty alleviation with respect to employees & social values in particular.

**Keywords:** Business, CSR, Development, Industrialization, Satisfaction, Sustainable.

## I. INTRODUCTION

Corporate Social Responsibility (CSR) is a phenomenon where companies follow the interests of society by shouldering responsibility of the stakeholders. CSR adopts several functions like building relationships; maintain business ethics, equal opportunities, ethical standards, international norms etc. CSR always follows statutory obligation, government rules & regulations for improving the quality of life of employees and their family's society at large. Poverty alleviation is very difficult task for any country but can be minimized & controlled by providing basic needs, maintenance of law & order, protection of environment and economic development. The corporate sector is expected to be more transparent in possessing ethical behaviors for the welfare of society. Corporate Social Responsibility is one such area where corporate behavior & governance is needed to be addressed effectively in the organization.



## II. REVIEW OF RELATED LITERATURE

Poverty can be alleviated by enhancement of corporate sector responsibilities, purchasing power & capacities of the poor, as they are the stakeholders in the developmental process. It was further recognized that business and social

responsibility goes hand in hand. One of the early references to CSR was of the opinion that social responsibility of business is to use resources to increase their level of profits to maximum (Kaliski 2001).

Employees who possess favorable view towards organizations, CSR tend to have positive response towards management's integrity, leadership, competitiveness in the marketplace. Firms are under tremendous pressure to pursue social behavior from a variety of stakeholder groups. CSR is governed by several factors such as business alignment, corporate culture, social needs and sincerity (Porter & Kramer 2011).

CSR gains much greater importance in the corporate world in 21th century. Indian Government has drafted guidelines for CSR practices which contribute a percentage share towards the CSR activities. Study compares the CSR activities of Tata & ITC on different areas i.e. environmental friendliness, social accountability, employee safety, human rights promotion and healthcare etc. The study focuses on the methods used by these companies. It was further observed that all the two big companies are directly engaged in social responsibility in various areas like innovation in agriculture & education to protect environment. It was further noticed that environment, education, community involvement and health care activities are practiced as CSR activities by the companies (Basavaraj 2013).

Now a day's CSR gained much attention towards economic and social interests. Companies became more transparent in accounting & displaying public reporting due to pressures from various stakeholders. The concept of CSR is now deeply rooted in global business agenda. But in order to move towards practicality much harder steps need to be taken. Much positive result arises when businesses adopt a strict policy of CSR (Bhupender & Joshiya 2012).

CSR is an important integral part of the business environment. In the recent past CSR is going through radical changes in the relationship between business and society. The important factor behind this change is globalization of trade, the increased size of companies, changes in government, stakeholder relationships, and brand reputation. Corporate Social Responsibility (CSR) defined in terms of the responsiveness of businesses to stakeholder's legal, ethical, social and environmental expectations is one outcome of these developments (Raynard & Forstater 2002).

The field of CSR ultimately addresses practical importance towards economic development which is consistent with raising labor standards and encouraging environmental protection. Further much attention is given to labor unions, investors, NGOs for better accuracy in CSR activities. Further research focuses on empirical and theoretical basis for developing policies to encourage CSR which kinds of forces are likely to be effective in developing a positive

relationship between businesses and society (Cynthia Williams & Ruth V. Aguilera).

### III. CHALLENGES IN CSR

**Stakeholders:** The companies must protect the interest of shareholders, employees, customers, suppliers & society. All the correct information must be communicated to stakeholder regarding pros & cons of the company.

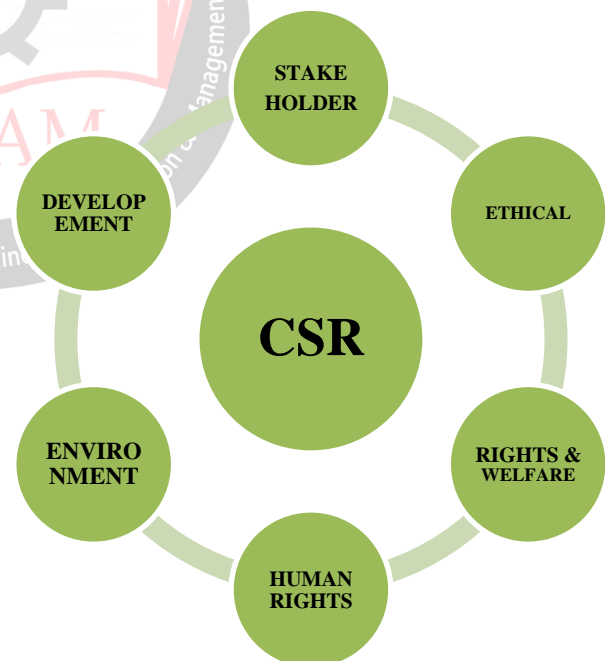
**Ethics:** CSR basically relies very heavily on business ethics. Proper transparency must be maintained in the organizations & no place for unfair means.

**Rights and Welfare:** CSR includes various activities like maintenance of workplace environment, ample workspace, training & development, career advancement, effective participation of trade unions, collective labor bargaining, grievance redressal mechanism, maintenance of equal opportunities etc. if governed properly may protect rights and welfare of the employee.

**Human Rights:** Companies must respect human rights of every employee in all respect

**Environment:** Companies must adopts strict measures towards reduce, reuse & recycle for pollution control & to reduce waste arising from companies. Companies must manage natural resources in a sustainable manner to protect environment.

**Development:** Companies must adopt different models for economic and social development of communities within the vicinity of their operations.



#### Objectives of research:

- To identify social & economic characteristics.
- To analyze CSR programs implemented in Cement industries.
- To observe methods involved in implementing the CSR activities.

- To evaluate the impact of these activities on alleviation of poverty
- To suggest some remedial measure for more strengthening of CSR activities.

**Hypothesis:**

H<sup>0</sup>- Csr programme is not implemented in cement industries.

H<sup>1</sup>- Csr programme is vigorously implemented in cement industries.

**Scope of Study:**

The research study is carried out in Cement Plants namely ACC, Manikgadh & L & T in Chandrapur District. Most of the Cement Plant administered various welfare activities for the people in the surrounding adjoining villages and communities. Cement Plants constitutes a separate CSR department for the welfare activities for societies. During CSR campaign four nearby small villages around the cement plants, worker working therein & those who were mostly displaced due to the establishment of the plant were adopted as a model for study.

**Sample Size:**

For the study purpose, four rehabilitate small villages adjoining to cement plant were selected for research. From each village 75 beneficiaries were purposefully selected for research. The data were collected from 300 respondents with the help of questionnaire.

**IV. DATA COLLECTION**

**Primary Data:**

In order to obtain reliable & authentic information from the respondents, attempt has been made to obtain primary data. For this purpose a detailed questionnaire was administered. The questionnaire contained various aspects of CSR & how it is administered for the better welfare of the society. Personal interviews and observations were also conducted for better accuracy. For this propose simple random sampling method is used.

**Secondary Data:**

Secondary Data was collected through annual report, books, journals, magazines and other literature related to CSR.

**V. DATA ANALYSIS**

Basic Statistical Technique such as Percentage, Standard Deviation, Rank Order Method (Henry Garret Ranking Method) and Chi square test is used for analysis of data.

**Limitations of research:**

- Sample Size has been restricted to 300 respondents of cement plant.
- The study is confined to the beneficiary those who displaced due to the establishment of the Plant.

- The study relies more heavily on primary as well as on secondary data.
- The details furnished by the respondents are considered as true and the study results are based on this assumption.
- The result arises from the research may or may not be applicable to other parts of the state or country.

**VI. DATA ANALYSIS & DISCUSSION:**

Table 1: Age & Gender

Sr. No.	Age	Gender		Total	%
		Male	Female		
01	18-30	81(59.12)	56(40.87)	137	45.66
02	31-40	59(64.83)	32(35.16)	91	30.33
03	41-50	27(62.79)	16(37.20)	43	14.33
04	51-60	20(68.96)	09(31.03)	29	09.66
	Total	187(62.33)	113(37.66)	300	100.00

(Source: Primary Data)

Above table indicate age & gender of the respondents working in cement company. It was observed that as high as 59.12 % male & 40.87 % female were observed to be amongst the age group of 18 to 30 years.

Table 2: Education

Sr. No.	Education	Gender		Total	%
		Male	Female		
1	Illiterate	02(16.66)	10(83.33)	12	04.00
2	Std I to Std X	49(66.21)	25(33.78)	74	24.66
3	Std X to Std XII	91(71.65)	36(28.34)	127	42.33
4	Graduation	11(57.89)	08(42.10)	19	06.33
5	P.G.	11(11.00)	-	11	03.66
6	Technical	51(89.47)	06(10.52)	57	19.00
	Total	215(71.66)	85(28.33)	300	100.00

(Source: Primary Data)

Educational qualification occupies important place in development of respondents. It was noticed that as high as 71.65 % male & 28.34 % female were acquire the educational qualification between Std X to Std. XII which is very less which vigorously needs to be upgraded immediately.

Table 3: Income

Sr. No.	Income	Total	%
1	Less than 5000	12	04.00
2	5001 to 10000	147	49.00
3	10001 to 15000	101	33.66
4	15001 to 20000	35	11.66
5	20000 & above	05	01.66
	Total	300	100.00

Income occupies highest position in alleviation of poverty. It was observed that as high as 49.00 % respondents were observed drawing wages in between 5001 to 10000 income group.

Table 4: Labor

Sr. No.	Labor	Gender		Total	%
		Male	Female		
1	Daily Labor	113(71.97)	44(28.02)	157	52.33
2	Monthly labor	29(90.62)	03(09.37)	32	10.66
3	Contract labor	69(75.82)	22(24.17)	91	30.33
4	Permanent labor	17(85.00)	03(15.00)	20	06.66
Total		228(76.00)	72(24.00)	300	100.00

(Source: Primary Data)

The above table indicates types of labor working in cement companies. It was noticed that as high as 90.62 % respondents were observed to be labor which were called & provide their duties on monthly basis.

Table 5: Awareness about CSR

Sr. No.	Services	Total	%
1	Training	93	93
2	Awareness campaign	64	64
3	Other services	62	62
4	Infrastructure	81	81
Total		300	100.00

(Source: Primary Data)

It is found that there is a greater need of awareness about CSR amongst the public to make CSR initiatives more effective. During the course of interview when asked about awareness regarding the CSR activities it was noticed that 93 % respondents opined for Training, 64 % opt for awareness campaign, 62 % opt for other csr services & 81 % opt for infrastructure development.

Table 6: Satisfaction about CSR

Sr. No.	Satisfaction	Total	%
1	Yes	221	73.66
2	No	64	21.33
3	No opinion	15	05.00
Total		300	100.00

(Source: Primary Data)

The above table shows level of satisfaction drawn from csr activities in the company. It was noticed that 73.66 % respondents shows significant positive response towards satisfaction about CSR campaign promoted by cement companies where as 21.33 % respondents shows descent oppose towards dissatisfaction regarding CSR implementation.

Table 7: Reasons for Dissatisfaction about CSR

Sr. No.	Dissatisfaction	Total	%
1	Limited Services	04	07.21
2	Did not consult people	02	03.12
3	Poor monitoring of CWC	01	01.56
4	No information on CSR activities	12	18.75
5	No proper identification of people as beneficiaries	19	29.68
6	Only employees' Families are benefiting	11	17.18
7	Lack of transparency	14	21.87
8	Limited availability of NGOs	01	01.56
Total		64	100.00

(Source: Primary Data)

When asked about dis-satisfaction regarding csr in the company it was noticed that as high as 29.68% respondent's advocates that proper selection & identification of beneficiaries was not implemented on systematic basis.

Table 8: Factor responsible for sustainable development

Sr. No	Variables	SD	D	N	A	SA	Total	Mean
01	Poverty Eradication	05	06	04	34	251	300	60
02	Zero Hunger	01	01	02	19	277	300	
03	Good Health & well being	02	01	02	14	281	300	
04	Quality Education	02	03	03	21	271	300	
05	Gender equality	03	03	01	27	266	300	
06	Clean drinking water & sanitation	01	02	02	16	279	300	
07	Affordable & clean energy	04	03	08	41	244	300	
08	Decent work & economic growth	02	03	07	27	261	300	
09	Industry innovation & best infrastructure	02	03	08	51	236	300	
10	Reduce inequality	01	02	04	18	272	300	
11	Sustainable cities & communities	02	03	03	17	275	300	
12	Responsible consumption & production	02	03	04	45	246	300	
13	Climate action	02	04	06	35	253	300	
14	Life below water	04	05	08	31	252	300	
15	Life on land	01	03	02	30	264	300	
16	Peace, justice & strong institution	02	01	05	19	273	300	
17	Partnership for the goal	01	01	03	47	248	300	

(Source: Primary Data)

## VII. CONCLUSION

CSR mainly relies on ensuring company growth on a sustainable manner. CSR must ensure better fairness practices to all stakeholders. It has a mixture of business, social responsibility with environment sustainability. In different activities conducted by cement companies

regarding CSR due importance must be given to improve the quality of life of worker. In current situation it is difficult for one company to bring sudden changes in the CSR. Since it is a combined activity everybody must take active participation in this regard. Thus it is the prime responsibility of corporate sector to take active participation in improving quality of work life. Proper partnership between corporate, trade unions, NGOs & government will certainly improve CSR in India.

### VIII. SUGGESTIONS

- It is recommended that proper necessary steps must be taken regarding stakeholders interest for strengthening CSR activities.
- Allocate separate financial budget for CSR activities.
- Monitoring CSR activities transparently and fairly.
- A long term CSR strategy must be adopted while ensuring stakeholders benefit.

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