

A CSR Three Tier System Approach for the corporate (CSR innovations to bring transparency and ownership by involving community stake holders)

Dr. Rajinder Kapil¹

¹University College of Commerce & Management

¹Guru Kashi University, Talwandi Sabo

ABSTRACT

It has been almost four years since a new business bill was introduced in which CSR (Corporate Social Responsibility) was made essential for companies based on their net worth or turnover. The new act gives general indication on spent which is to be consider under CSR, however the answer to how? is missing. The companies are implementing the CSR based upon the experiences and local requirements. Since lot of communication has been made in India on CSR spent by this way the community around plant is also aware about this spent and thus companies faces lots of demand form people to invest in CSR at their plan locations. Since company's main business is to do business hence they do not carry out extensive research on community involvement therefore in this paper we are going to suggest about how company can involve the community stake holders in the CSR to bring desirable result and win-win situation to each other's. This proposed three-tier structure of CSR arrangements functions as a self-administrative tool in which the community ensures its seamless execution in order to maintain dynamic consistency with the law's soul, moral models, and community norms. With this model of community involvement, CSR goes very smooth for the benefits of the company as well as for the business. Finally, a CSR is to be considered successful only when the community accept the activity and community accept only when the entire plan of CSR is prepared in line with their requirements and address the need, this is very critical if you do not involve the community in the planning and execution process, the involvement of the community to bring the transparency and obligatory is a need of the hours. It has also been in the practice that if the important stake holders do not involve in the CSR and since they are aware about the CSR spent and are the main beneficiaries, the so called leaders will ask for money from the company to keep their mouth mum and sometime their demand are very high and if not fulfill they even agitate at the gate of the company to stop the production of the company.

Keeping this in mind a three tire robot's system is introduced in this paper for the corporate companies so that they can involve people in their work to bring the desirable result and make people reasonable for the execution of CSR, the details are discussed in the document.

I. INTRODUCTION

The issue of corporate social responsibility (CSR) has been debated since long. Latest introduction of new company bill by GoI (2013) reported the definition of CSR in term of spent and activities. The traditional definition of CSR was restricted to charity, and subsequently it moved to a focus on business-society ties, specifically referring to a corporation's or firm's contribution to solving societal problems. CSR (also known as corporate citizenship, responsible business, and corporate social opportunity) is a concept in which businesses consider the interests of society by taking responsibility for their activities' impact on customers, suppliers, employees, shareholders, communities, and other stakeholders, as well as the environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their surrounding people. CSR simply refers to corporate or company strategy for conducting business in an ethical and socially responsible

manner. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment and as defined by the new company law. This approach aims to suggest a three tier community involvement of CSR. This approach of community involvement chosen because they are interdisciplinary in nature covering aspects of for the people. This approach gives the answer to the **How?** Which is missing in the new act. Also community who are totally un-aware of the CSR interventions may look very impertinent to involve in the project if company directly undertake. At times company may receive no cooperation from the community, to add to the agony the local bodies and local authorities also having not known on the magnanimity of the CSR will also look very indifferent to extend their patronage to the CSR work because they would be of a misconception that a how come a company coming to the development rescue of the community and trying to reach the villages from an organized set up. When it comes to CSR work, they are known to raise their eyebrows.

At time the company might face the following problems while starting CSR at their sites: -

- 1) Request for Cash for temple, mosque, and community programs, which does not cover the CSR spent as per the company act.
- 2) Request for donations for construction of temples.
- 3) Request of cash donation for food arrangements, tent arrangements and Orchestra arrangements in the community program.
- 4) Request for rally support or cash support, or cash to manage the public.
- 5) Problem in the selection of beneficiaries for e.g. if a plan to select 10 youth for mobile repair training then there will be a list of 20 and if we select 10 then another 10 people come to company gate and shout for discrimination.

The above are some of the practical difficulties that any company might face initially while starting the CSR. Some time it would be a challenge to the company whether to really do CSR or not as lots of energy and time of the plant functionaries goes in managing such issues and, sometime it may invite attention of the top company functionaries if the production is stopped due to public agitations and might incur huge cost to the company and instead of getting the mileage of CSR company faces oppositions.

Then what?? This innovative idea will give you the solution to the issue and answer to how?

The solutions lie in involvement of the community in the plant CSR and this would be the only solution and critical as well. What kind of help will a firm provide under CSR if the community is aware of the company's CSR? Where will the help come from? What is the outlay? How to carry forward the support? What is the best way to build a plan? Then why not the community will support company and it will bring win-win situation for both.

II. THREE TIER APPROACH OF COMMUNITY INVOLVEMENT

Community involvement is a very important aspect of any program implementation, no matter what size. A project may never get off the ground or will be rejected after it is done if there is no community buy-in. In India many success stories are available where the community involvement initiated to yield success. In CSR community involvement is regarded as a minor nuisance and is ineffectively addressed, or there is a lack of knowledge as to how to engage the community. Either way, the result can be disastrous (i.e., delays in CSR spent can result in a loss of allocated money, filing of law suits, disgruntled citizens providing negative comments to the media, non-acceptance of the revitalization project, and a non-sustainable project reverting back to a brownfields site. It is a universally accepted fact that in DEVELOPMENT SECTOR Need based interventions with due Stake holder's participation leads to greater achievements of key deliverables. It will also mitigate community dependency and develops better social partnership which further leads to action sustainability.

Therefore, it is important for any plant locations to increase the stake holder's participation in the project through formation of community structures in a **3 tier system** and the entire responsibility of development of this system can be given to the Local NGO under the administrative control of Manager CSR from the Plant.

III. THE OBJECTIVES OF THE THREE TIER APPROACH CAN BE DEFINED AS BELOW

- Stake creation of target groups in project interventions for better concern, transparency and ownership transfer.
- Increase NGO partner/community leader's accountability and responsibility.
- Judicially distribution of the resources in the community to resolve the day to day issue.
- Ensuring that the beneficiaries / community follows the SOP (standard operating procedure) for the support.
- Avoid unwanted demand from the local leaders/people.
- Curbed the demands which are not covered under the new companies act and does not qualify to book under CSR.
- Smooth company operations.

IV. THE STRUCTURE OF THREE TIER SYSTEM**Tier - I**

As a first step once the plant location has set the geographical area/location to be covered for CSR then it is suggested to identify the number of villages in which the company wants to execute CSR. Say for e.g. a plan location of a company XYZ is planning to execute CSR in 05 villages for 5 years. Once the village are selected it is recommended to select one village volunteer from each village under **Tier I**. This VV would serve as a point of contact for CSR activities in the village and would be known as "(Company name) Village Volunteers." He would be paid a fixed appearance fee on a monthly basis. VV (Village Volunteer) is an enlightened person from the village having good rapport with the cross sections of the community with minimum qualification of SSLC. The plant location can identify one such VV in each operational village. This volunteer is not only a brand ambassador of the company CSR but also balance the community relations besides people mobilization, data collection, beneficiary's identification, community follow up and involvement in activity execution.

V. ROLES AND RESPONSIBILITY

The following roles and responsibility can be source through VVs

- Report weekly to NGO/plant CSR person.
- Keep all the village record.
- Identify the beneficiaries and take approval from Tier II level.
- Hold monthly meeting with Tier II.
- Keep all the activity record.
- Submit the activity bills to NGO.
- Help plant to identify the critical issues of the community.
- Prepare beneficiaries portfolio and submit to NGO.
- Mobilize people if needed for the program

VI. RECORD TO BE MAINTAIN BY VV

The following record can be maintained by the Village Volunteers:

- Weekly review reports papers duly signed by Village Volunteers.
- Copy of Beneficiaries portfolio developed by village volunteers.
- Activity register signed by all the people who attended the program. ((Each and every activity attended by the people is signed in the registrar available with the Village Volunteer)
- Village wise list of village support group members duly signed by Village Volunteers.
- Meeting photographs.

VII. TIER- II VILLAGE SUPPORT GROUP (VSGS)

In the IInd tier with the help of VV, it is suggested to select a 5 members Village Support Group from each village. This Village support group will mainly assist in finalization of beneficiaries, identify various community needs, screen interim emerging needs request amicably, desist cash requests, promote better friendly atmosphere for project execution, monitor implementation and ensure better transparency. This structure is a VILLAGE LEVEL STRUCTURE for each Village.

VIII. ROLES AND RESPONSIBILITY

The following roles and responsibility can be source through VSGs

- Finalization of village development plan by prioritizing the need.
- Approve the beneficiaries.
- Do not approve the cash request.
- Participate in monitoring sessions.
- Attend meetings and development related programs.

IX. TIER- III – COMMUNITY ADVISORY PANEL

This is the third step in which the Plant CSR, Village Volunteer (Tier I) Village support group (Tier II) together select a 15 members Community Advisory Panel. The community Advisory Panel is comprising of a) 3 members from each VSG, b) Village Volunteer, c) Plan CSR manager and d) plant director or HR Head of the plant.

The preference would be given to have one women from SHG and one Farmer. As CAP members, local bankers, district level officers of Zilla Panchayats, veterinary officers, medical officers, and grampanchyat sarpanches might be chosen. This is a project level structure at the top.

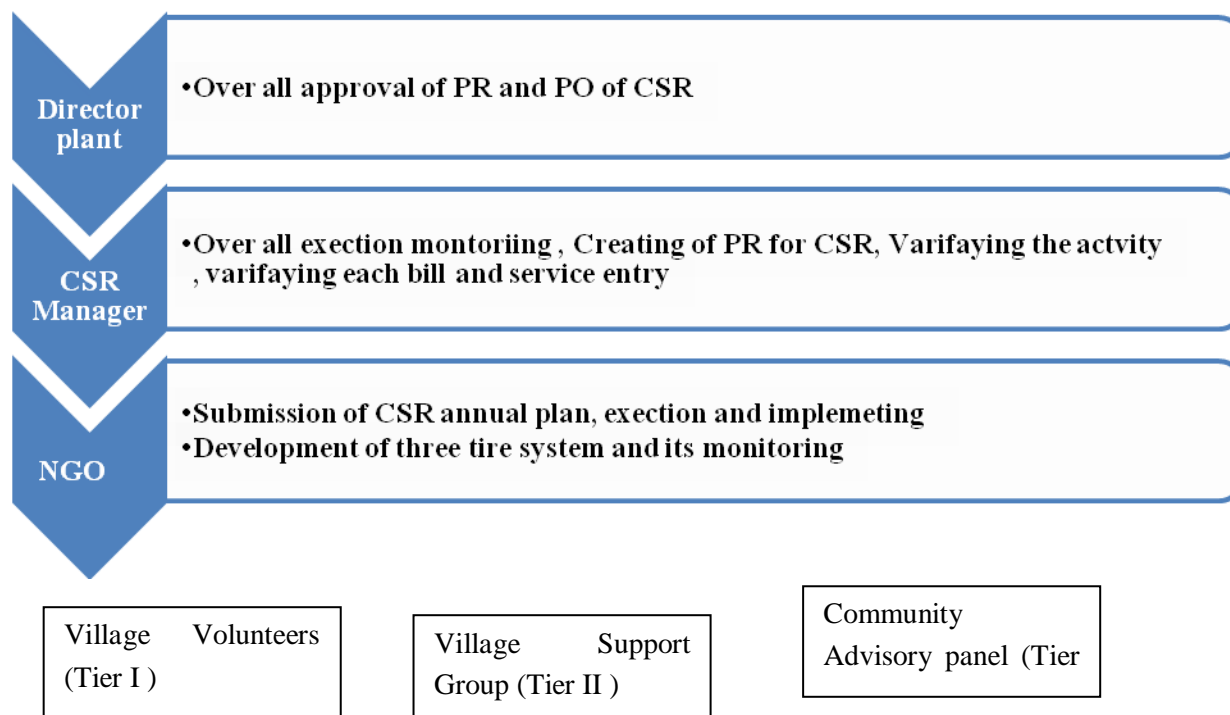
X. ROLES AND RESPONSIBILITY

The following roles and responsibility can be source through CAP.

- Develop and take off annual CSR activity charter for each village.
- Facilitation in backward and forward linkages for micro entrepreneurs.
- Facilitation in Government Schemes convergence.
- Guidance in Implementation.
- Guidance in raising leverage.
- Endorse the CSR development 5-year plan.
- Prepare the annual plan with limited resources.
- Judiciary allocates the activities on need basis.

XI. STRUCTURE AND REPORTING

The following is the execution and reporting structure suggested for the three Tier approach



XII. CONCLUSION

The Indian corporates realized since the beginning of the corporate culture in India that the interest of corporate organizations to demonstrate to the world that they recognize that their responsibility to their citizens go beyond paying taxes to the government, maximizing wealth and turning profits for its stakeholders. The CSR in India was exists since then in an unorganized manner where people participation was also ensured. However, the planned participation of the people in the CSR is started in recent years. Since the company has led in the allocation of financial resources to social responsibility so as to benefit the community members therefore the participation of the local community in the process is the KEY. It further systematized these initiatives with the establishment of the CSR three tier structure. There are sufficient evidences that whenever the local community involve it indicate that the CSR exhibit a sustainable growth and the social outcomes is very high.

In the conceptual framework of **three tier system** states that the companies can modify the concept based upon the need and requirements.

In general, to bring the desirable result while involving participatory approach of CSR execution, shall fetch the following results: -

- It can develop an enabling atmosphere and shall bring no CSR complaints to the plant level, it would be shorted out at local village level only.
- Better confidence of the community towards the plant can be gained.
- Participation of community enhanced from little to a large.
- Company gained a good mileage as in case of any good activity is going on in their villages through whatever source people feel that this might have been ACC’s work in progress.
- A good accountability may be generated.
- Cash donation request and midyear request from the community will totally vanish as the Tier I and Tier II will not let it come in the middle of the year.
- Tier I and II educate people that nothing comes free and since they all stay in the village they monitor the execution for a quality.
- Community regulatory has increased NGO accountability.

- Good decisions and win-win situation to everyone.
- Increase the number of individuals who are engaged, and do so more effectively, for less money.
- It will bring good public awareness on the mandate, purpose, scope, functions and operational procedures of the CSR initiatives and approaches.
- If the communities are involved in investment identification processes and in decision making processes and monitoring, this will meet community priorities and will serve the interests of the companies.
- It would minimize the political patronage and elite capturing the CSR fund.

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