

# **CORPORATE SOCIAL RESPONSIBILITIES (CSR) IMPLEMENTATIONS: A CASE STUDY IN VARDHMAN INDUSTRY**

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## **Abstract**

In order to assess Vardhman Industry's commitment to social, workplace, and environmental norms, a study on "CSR Implementation in Vardhman Industry" was undertaken. The analysis showed that Vardhman Industry had adopted CSR measures. The study found that the CSR had grown in significance due to the current climate of increased interest in the correct place of business in society. Increased sensitivity had encouraged the spread of knowledge on moral and ethical issues. The data collection for the case has been done through personal interviews with CSR expert of the Company. The study's key finding was that Vardhman Industry was more dedicated to social, environmental, and worker standards than other units were. The main motivation for their dedication was that, in order to conduct business with international purchasers, they were required to scrupulously abide by all applicable laws, regulations, and social, ethical, and environmental standards. A designed pamphlet with information on CSR was distributed in a single, non-CSR compliant Knitwear unit. The management of the Knitwear unit greatly welcomed the informal debate that followed.

**Keywords:** Corporate Social Responsibility, Principles & importance of CSR, CSR commitments

## **1. Introduction**

In India, many corporations have been practicing the concept of Corporate Social Responsibility (CSR) activities to meet the needs of the society. Corporate social responsibility encompasses a wide range of initiatives, from offering secure and environmentally sustainable goods and services to donating a portion of firm income to charitable organizations. In today's dynamic environments, nothing is permanent, yet the terms "social duty," "philanthropy," and "corporate social responsibility" have been around for a while. Every commercial organization must conduct its operations within a certain social environment, or "society" (Dr. Vrushali Rajaram Kadam, 2021).

The CSR is increasingly becoming crucial to both business and societal success because it gives companies a mission and strategy around which constituents can rally. The business most likely to succeed in today's rapidly evolving global environment will be those who are best able to balance the often conflicting interest of their multiple stakeholders. Increasingly, the consumers want to buy products from companies they trust most suppliers want to form business partnerships with companies they can rely on, employees want to work for companies they respect, large investment fund givers want to support firms that they perceive to be socially responsible, nonprofits and NGOs want to work together with companies that are seeking practical solution to common goals. In the current state of globalization, it has become important for companies to adopt a CSR strategy as it reflects on the social impact policy of the company (Banerjee & Shastri, 2010).

The CSR as an element of strategy is becoming increasingly relevant for business today because of the five identifiable trends that seem likely to continue and grow in importance throughout the 21<sup>st</sup> century. These trends are: -

- Growing Affluence.
- Ecological Sustainability.
- Globalization.
- The Free Flow of Information.
- Brands.

The idea of corporate social responsibility (CSR) has become more well-known in business reporting. Every company has a CSR policy that mandates the creation of an annual report outlining its efforts. (Radhika Kapoor, 2020). So Vardhman Group is a leading textile conglomerate in India having a turnover of \$1009 mn. Spanning over 25 manufacturing facilities in five states across India, the Group business portfolio includes Yarn, Greige and Processed Fabric, Sewing Thread, Acrylic Fibre and Alloy Steel. Vardhman Textile limited, Ludhiana was selected for case study in relation to the CSR implementation. Vardhman Spinning & General Mills is the unit of Vardhman Textiles limited. The Spinning unit of the company at Ludhiana was set up in 1965. The annual turnover of the company is 340 crores. The product mix included cotton, synthetic/ blended yarns, industrial, knitting fancy yarns and, dyed yarns. The company emphasized on the area of productivity, quality, cost effectiveness and energy conservation. The philosophy of Vardhman is to focus on use of all resources in achieving perfection in operational performance, standards of productivity and work norms.

The concept of "corporate social responsibility" refers to how businesses interact with society. Decision-makers have a duty to act in a way that advances both their own interests and the welfare of society as a whole. Because it gives businesses a mission and strategy, it is becoming more and more important to both corporate success and society success. In the current state of globalization, it has become important for companies to adopt a CSR strategy as it reflects on the social impact policy of the company. Vardhman management feels that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation defending attacks and increasing business competitiveness. Workers' safety, health, moral and ethical considerations, a clean environment, and pollution-free production were the main motivations behind Vardhman's implementation of CSR.

## **2. Steps of Implementation of CSR in vardhman were**

1. Willingness of the management to implement Corporate Social Responsibility practices in their unit.
2. Appointment of CSR officer to implement to CSR activities
3. Identification of the project
4. Management approval
5. Implementation of the project
6. Monitoring of the project

## **3. CSR ACTIVITIES FOLLOWED BY VARDHMAN**

Vardhman was committed to Environmental, Health, Safety and Security excellence in all of business operations. They focused on achieving three essential objectives: -

1. Reducing their impact on the environment
2. Protecting the health, safety and security of their employees and neighbors
3. Communicating openly with their host neighbors and stakeholders on relevant environment, health & safety issues.

## **4. Workforce and labour Commitment**

For workers, regular free medical check-ups and blood donation camps for employees and other people in the society in collaboration with DMC hospital was organized. During handling machines, masks were provided for

employees around the high dust area, ears plugs for reducing the noise pollution, gloves PPE (Personal Protectively Equipments), gum boots around the boiler area and hazardous wastes area, head covers for ladies and also uniforms for employees.

### **5. Environmental Commitment**

Management of Vardhman was also committed to environment related activities like Tree Plantations around the Mills or in the mill, schools, hospitals, highway, road side with the help of Municipal Corporation and forest department. It also worked towards the protecting plants and trees to prevent the air pollution.

It has developed Biogas plant Energy from waste in Baddi. Waste water like dyed water and vegetables were collected from canteen and worker house which were used in biogas plant. Solar water heating system or solar street light were setup in workers colonies .waste water treatment plant has also been set up.

Drinking water or fresh water was supplied to different industries and also for villages who were near the industry. In the industry, rain water harvesting was also done on the roof of the industry, water was collected and then filtered, after the filtration and clean water was collected in the well. It had installed Sewerage Treatment Plants in all units. Treated Sewage Water were used for Gardening & Plantation, thereby reduced the usage of fresh water. Monitoring of water consumption through water meter reading was regularly done. For energy conservation, natural light illumination was provided at every workstation to save electric energy.

### **6. Social commitment**

With a view to enhance their skills, Vardhman continuously train its people across all functions, levels and disciplines of the organization. They had designed elaborate training and development programmes that encompass the technical, managerial, behavioural and spiritual growth of its employees. A full-fledged training centre -Vardhman Training and Development Centre (VTDC)-at Ludhiana has been set up for this purpose. One percent to 2% of total profits were invested in training & managing institutes.

Sprung from a keen desire to set up an educational institution in Ludhiana and inspired by the writings of Sri Aurobindo and the Mother, the Trust has set up a college - Sri Aurobindo College of Commerce and Management (affiliated to the Punjab University) with the mission to create an institution with distinction dedicated to the ideals of creating disciplined career oriented young people ready for going for administrative and management roles in enterprises or to set up their own business as entrepreneurs. It provides special industrial training and employment opportunity to backward classes, prisoners of Ludhiana jails and SC caste peoples. Students were also prepared for jobs interviews after graduation. Financial contribution to the colleges and, scholarships to poor students, furniture to government schools & building up new schools building were some major activities undertaken. Contributions /Donations for disabled children at Bhopal were also provided.

Sri Aurobindo Socio-Economic and Management Research Institute were also set up in the promotion of education, research and publications highlighting social and economic issues facing the society. The Institute runs a Human Resource Development Centre for providing career counseling and guidance to college students in Punjab. The teams of experts also visit the colleges in the state to prepare college students for gainful employment in the industry.

The benefits of CSR as felt by the management after implementation was improvement in company (brand) image, better working conditions, increased customer's loyalty, improved the relationship between business and society and reduced raw material and energy inputs. The company evaluated Corporate Social Responsibility activities through audits like energy audits, fire precautions & personal protective audits, health and safety audits, social audits, environmental audits. This commitment to excellence in environment, health, safety and security performance was a continual improvement process for Vardhman official.

An informal discussion with the management and staff of a chosen CSR non-compliant unit was used to distribute information about CSR practices and its implementation. A designed brochure with all pertinent

details about CSR was also delivered, and a group discussion followed. The discussion was well received by the attendees, who were quite motivated to start CSR in future.

Corporate Social Responsibility (CSR) is the concept that has gained prominence in business reporting. Every corporation has the policy concerning CSR, which produces a report, annually, detailing its activities.



**Corporate Office Sign Board**



**Silence Zone Board**



**Notice Board of a Unit**



**Speed Limit Instruction**



**No Smoking Board**



**Cleanliness Instructions**



**Prohibition Board**



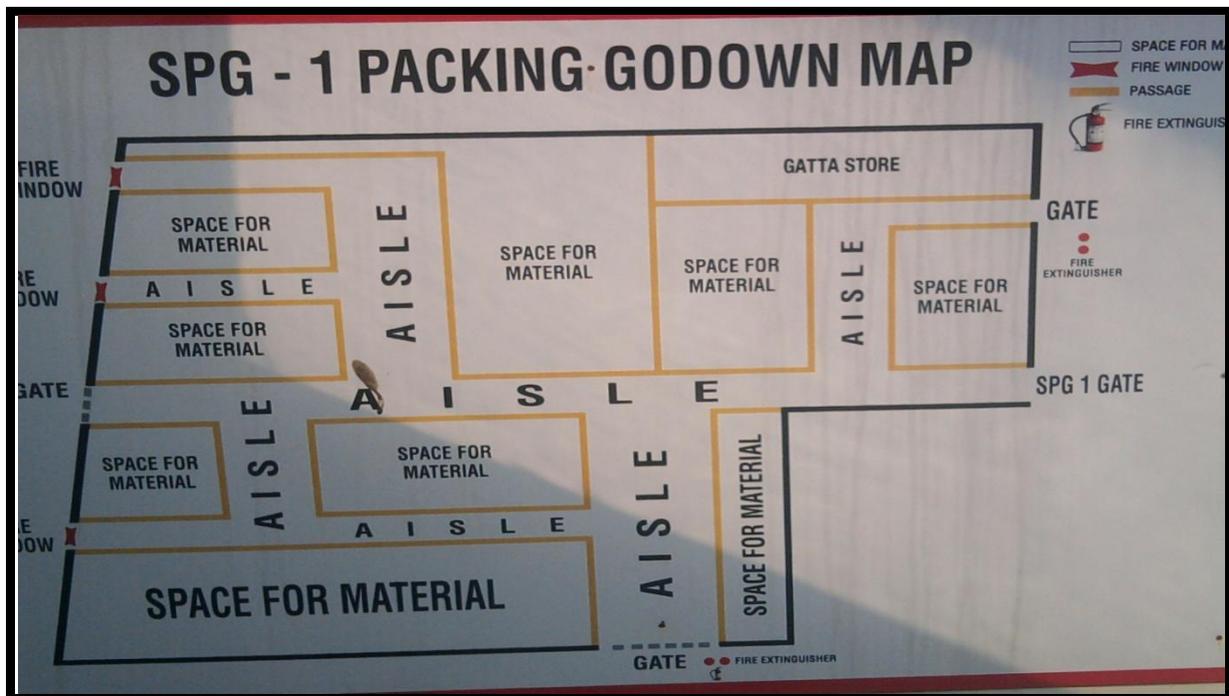
**Emergency Phone Numbers**



**Rules for Parking Area Board**



Traffic Sign Board



Godown Map Board



**Fire Trolley**



**Natural Illumination at Workstation**



**Safe Work Practice**



**Biogas Plant**



**Waste Water Treatment Plant**



**Proper Storage for Hazardous Chemical**



**Rain Water Harvesting on the Roof**



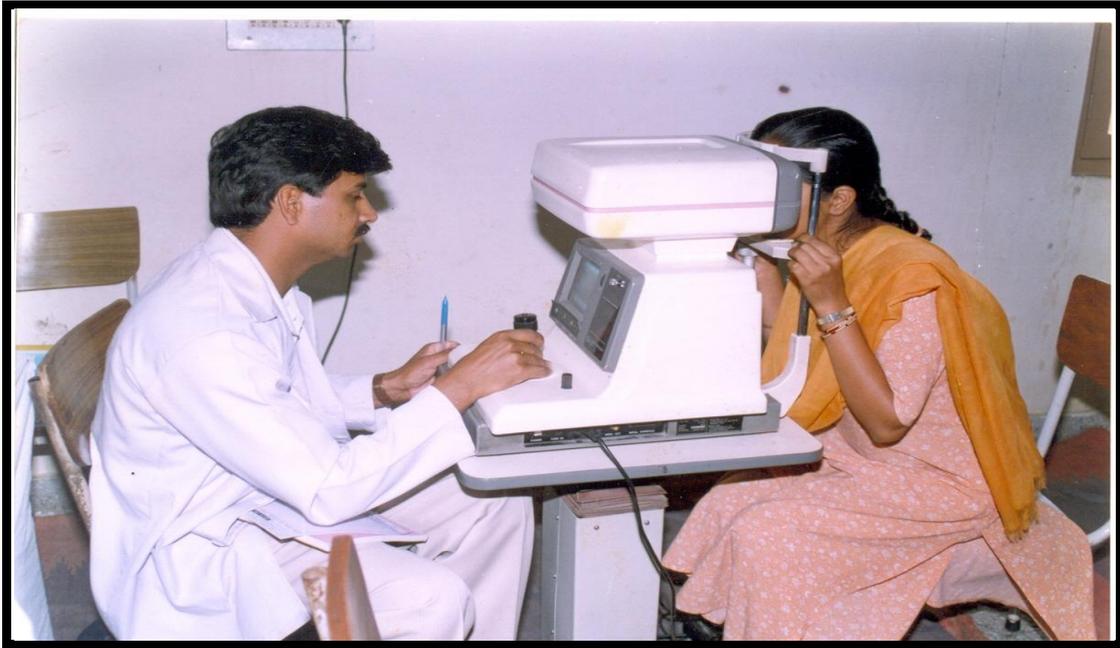
**Rain Water Harvesting**



**Green Campaign**



**Tree Plantation**



**Medical Checkup Camp**



**Medical Checkup Camp**

FIRE PRECAUTIONS & PERSONAL PROTECTIVE EQUIPMENT CHECK LIST			
NAME OF THE UNIT: Vardhman Acrylics Limited, Jhagadia			Month : June 2011
Sl.No.	Item Description	Checked by	Date of inspection
<b>A - FIRE HAZARDS</b>			
a	Flammable Materials Correctly Stored?	Safety Department	20/06/2011
b	Is all Electrical Equipment correctly wired & earthed?	Safety Department	20/06/2011
c	Is all wiring & Equipment in good condition?	Safety Department	20/06/2011
d	Are accumulation of flammable material regularly cleared away?	Safety Department	20/06/2011
e	Is all dust regularly removed from around motors, bearings, rollers etc.?	Safety Department	20/06/2011
f	Are all moving machinery parts are properly guarded?	Safety Department	20/06/2011
g	Is all vehicle entering the mill are fitted with Spark arresters?	Safety Department	20/06/2011
<b>B - FIRE FIGHTING EQUIPMENT</b>			
a	Is all fire fighting equipments checked regularly and dated?	Safety Department	25/06/2011
b	Is fire fighting equipment appropriate for the location and use?	Safety Department	25/06/2011
c	Is all equipment clearly marked for designated use?	Safety Department	25/06/2011
d	Is all equipment in good order, clean and properly stored?	Safety Department	25/06/2011
e	Is the equipment contains sufficient quantity of materials for use?	Safety Department	25/06/2011
f	If present, is the sprinkler system regularly checked?	—	Not Applicable
g	Is the fire buckets are properly filled with sand & water?	Safety Department	25/06/2011
<b>C - FIRE ALARMS</b>			
a	Is the Fire Alarm system regularly checked?	Safety Department	27/06/2011
b	Are maintenance checks recorded?	Safety Department	27/06/2011
c	Are alarm call points clearly marked?	Safety Department	27/06/2011
d	Is the system tested weekly from different points, and tests recorded?	Safety Department	27/06/2011
e	Is the alarm audible everywhere in the workplace?	Safety Department	27/06/2011
f	Do employees know how to sound the alarm?	Safety Department	27/06/2011
g	Do employees know where the nearest emergency assembly point is?	Safety Department	27/06/2011

FIRE PRECAUTIONS & PERSONAL PROTECTIVE EQUIPMENT CHECK LIST				
Sl.No.	Item Description	Checked by	Date of inspection	Remarks
<b>D - FIRE EXITS</b>				
a	Are all Fire Exits clearly signed?	Safety Department	29/06/2011	Yes
b	Is the route to the nearest exit clearly indicated?	Safety Department	29/06/2011	Yes
c	Do all parts of the floor have direct access to a Fire Exit?	Safety Department	29/06/2011	Yes
d	Are all exits clear of obstruction and not locked?	Safety Department	29/06/2011	Yes
e	Do all exits open in the direction of escape?	Safety Department	29/06/2011	Yes
f	Are exits clear of obstruction on the outside?	Safety Department	29/06/2011	Yes
g	Is the emergency lighting system regularly checked?	Safety Department	29/06/2011	Yes
h	Are lighting checks recorded?	Safety Department	29/06/2011	Yes
i	Do all workmen know the way to their nearest fire exit?	Safety Department	29/06/2011	Yes
<b>E - FIRE TRAINING FOR EMPLOYEES</b>				
a	Are regular fire drills held?	Safety Department		Yes
b	Is the frequency of training adequate?	Safety Department		Yes
c	Is there a logbook for recording training?	Safety Department		Yes
d	Do all employees know the way to their assembly point?	Safety Department	30/06/2011	Yes
e	Do employees know what to do if they discover a fire?	Safety Department	30/06/2011	Yes
f	Do employees understand the extinguisher colour coding?	Safety Department	30/06/2011	Yes
g	Do employees consider their training has been adequate?	Safety Department	30/06/2011	Yes
<b>F - PERSONAL PROTECTIVE EQUIPMENTS</b>				
Sl.No.	Item Description	No. of workmen in units	Total No. issued	Repaired
a	Helmet		Individual to all employees	
b	Gloves		Individual to all concerned workmen	
c	Hood		Provided at chlorine area	
d	Mask		Common in all dept	
e	Ear plug	Total 300 workmen are working round the clock	As and when required	
f	Foot wear		Individual to all workmen	
g	Eye washers & shower		Installed in all hazardous areas	
h	Safety belts		Issue to all concerned department	
				Stock in store
				All PPEs inventory maintained by store department as Min-Max items given by Safety dept.

**Safety Audit Checklist Guide**

**Fire and Safety Equipment**

	Yes	No	N/A
Is the proper fire and safety equipment available?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equipment accessible (i.e. is it unblocked)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are flammables stored in flammable storage cabinets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Operation of Machinery or Complex Apparatus**

Are the indicator lights on the apparatus in an O.K. or safe condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the apparatus producing normal sounds, odors, parts, or results?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the apparatus equipped with data recorders or monitors that track the condition of the apparatus?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If necessary, are there maintenance logs or other records that track the condition of the apparatus ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are proper lock/tag techniques being practiced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Common Tools and Equipment**

Are the workers using the right tool for the job?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the workers using the tools correctly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If necessary, have the workers been trained to use the tools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the tools in good and safe working condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have the tools been inspected recently?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the tools stored in appropriate locations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Work Area and Housekeeping**

Is the work area neat in appearance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all aisles and walk-ways sufficiently wide for personnel and moving equipment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all aisles used by moving equipment have clear line-of-sights?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all walking/working surfaces have barricades or hand guards to protect personnel from hazards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the chemicals properly inventoried and stored away?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the lighting adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the exits clearly marked and easy to find?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all overhead items secured?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all stairs in good and safe condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all ladders properly secured or stored away?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the overall building in good working condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**General Procedures**

Do the personnel and building occupants know evacuation procedures for fire and weather alarms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do building occupants such as lab visitors have point-of-contacts within the building?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the area manager sufficiently aware of work being done by lab visitors or employees from other areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Personnel Ergonomics, Focus, Training, and PPE**

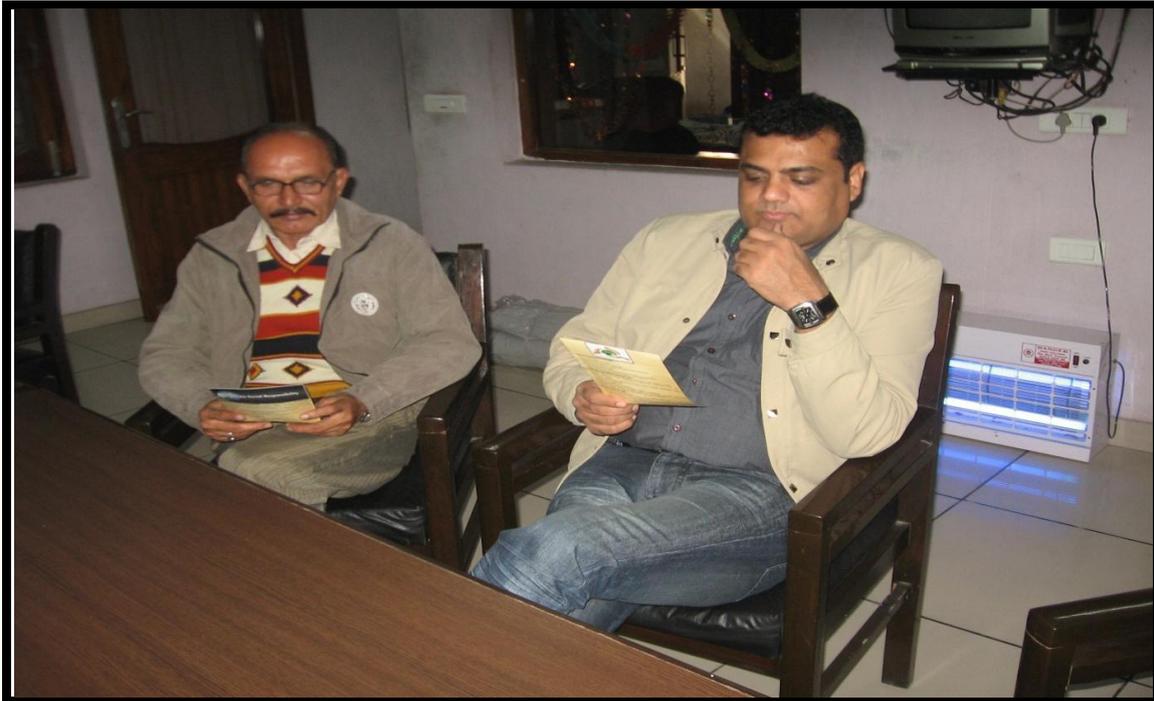
	Yes	No	N/A
Are the personnel working in a manner that is free of unnecessary physical exertion?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the personnel practicing good ergonomics?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the personnel seem sufficiently focused on their job, especially jobs where there are hazards present?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the personnel trained to do the job and are aware of the hazards and mitigations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the job appear suited to the personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If necessary, are the personnel using PPE?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For work near machinery, are the personnel wearing proper clothing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If necessary, are the personnel wearing TLD badges in radiation areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Interview with CSR Expert**



**Distribution of leaflet on CSR**



## **Informal Discussion about CSR**

### **7. Interview Schedule For The Csr Compliant Unit**

- Name of the respondent:
- Name of the unit and address:
- Year of establishment:
- Product produced:
- Philosophy of the unit:
- In your opinion, what is Corporate Social Responsibility?
- Why do you think the CSR implementation is important for apparel industry?
- Which factors had led to the adoption of CSR in your unit?
- What were the steps followed in implementation of CSR in your unit?
- Which type of facilities are provided by your unit to your employees?
- What environment related arrangements are there in your unit?
- What are the social commitments of your unit?
- What benefits have you observed in your unit after CSR implementation?
- Does your unit measure and evaluate Corporate Social Responsibility related activities through audits? If yes explain in detail.

### **8. Conclusion**

Case study of Vardhman Textile limited, Ludhiana which had adopted social, environment, workforce & ethical CSR practices was conducted. The company emphasized on the area of productivity, quality, cost effectiveness and energy conservation. Corporate social responsibility is the responsibility placed on decision-makers to act in a way that advances and protects both their own interests and the welfare of society as a whole. Because it gives businesses a mission and strategy, CSR is becoming more and more important to both company success and societal success. Workers' safety, health, moral and ethical considerations, a clean environment, and pollution-free production were the main motivating elements behind Vardhman's adoption of CSR. The management's interest in this area led to the appointment of a CSR officer for implementation, project identification, and management, which was then followed by the implementation of CSR practices in their unit.

Doing the right thing from the start helps avoid future setbacks and regrets, as is well noted. If every apparel unit behaves morally, takes charge of improving the working circumstances in their region, and voluntarily commits to improving society, it will improve the reputation and brand recognition of our nation abroad.

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