
Corporate Social Responsibility Projects of KIOCL: An Impact Assessment

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Abstract: *As pressure is added by consumers seeking to make more responsible choices and by the constraints of ever-dwindling natural resources, more companies are incorporating sustainable strategies and adopting more socially responsible practices. The top trends in the area of corporate social responsibility include increased transparency, investment in green technologies, local community and employee engagement, and recognition of economic inequality. The organisations can no longer see themselves only as profit-making machines if they wish to survive. Companies today are giving more priority to the corporate responsibility as it is the need of the hour. The corporate is increasingly being required to align with societal norms while generating financial returns. The CSR practitioners and organisations, validate the segments like production and distribution, wealth, ethical systems, sustainable management practices by applying approaches that may be unique to the organisation. A unique and varied approach to develop CSR strategies is very useful for the development of the community and nation as a whole. KIOCL has undertaken several community oriented projects and the study revealed that it was the need of the community and it has benefitted them to a great extent.*

Key Words: *Corporate Social Responsibility, Impact Assessment, Sustainability, Community Services.*

Introduction

The organisations can no longer see themselves only as profit-making machines if they wish to survive. Corporate engagement with society is termed as corporate social responsibility (CSR). The study of corporate social performance is important so as to ensure that there exists no gap between the social goals and business actions. Businesses, in order to sustain their

existence, depend on society. Therefore, they constantly strive to pattern their activities so that they are in congruence with the goals of the overall social system (Sethi, 1979).

Husted (2000) emphasized that to maintain legitimacy and social support, it is necessary for the firm to satisfy and sometimes even exceed the expectations of its stakeholders. In other words, firms must be concerned with their social performance. The principal objective in developing indicators and measuring performance is to generate information on which future action (i.e. management initiative) can be based (Warhurst, 2002).

CSR has been receiving lots of attention from various backgrounds of researchers worldwide (Ismail 2011), it has attracted a great deal of attention over the past decade (Zu and Song 2008). Therefore business leaders, government officials, and academicians are focusing more and more attention on the concept of “Corporate Social Responsibility” (Reinhardt et al 2008).

Most of the academic literature on CSR originates from Western countries (Vancherwaran and Gautam, 2009, Raman, 2006) and argue that the utilization of Western CSR approaches can fail in Asia because of cultural as well as economic and political differences. Arevalo and Arvind (2011) pointed out that study of management and CSR practices in emerging economies like India is important not only because these are strategically significant economies for global growth but also that such studies can offer new insights.

Local social issues can be identified through checking the gap between ideal situation and the reality. It can be both specific issues such as heavy pollution and abstract issues such as harmonious community culture. In order to identify those social issues, many things should be done. Primarily it is important to gain a deep understanding of the underlining structure and culture of local community, thus mastering the “cause and effect” and to help figure out solutions. when the social issues have been identified, it is necessary to analyze them systematically. Only by understanding the related barriers and resources, the best solutions can be carried out. The logic of this is from macro to micro. In order to connect local social issues with the capability of business, the next step is to consider the resources of a company, which comprises of both internal and external resources. Understanding the motivations and objectives of a CSR project is extremely important for a Business organization (Zhaoyan Zhang, 2004)

KIOCL has diagnosed the community needs of drinking water, education, health and environment and drawn up projects in the related areas. However it becomes very important to do an impact assessment to evaluate the objectives of the CSR projects and if they have met the expectations of company as well as community. By doing this one can hope to increase market transparency for businesses wanting to engage with the community. The value of conducting business responsibly lies not only in complying with the law and avoiding financial and reputational risks, but also in sustainably accessing, rapidly growing markets and to connect the business goals with the development goals.”

Objectives

1. To study the CSR projects carried out by KIOCL at different locations in Karnataka.
2. To ascertain the level of satisfaction among the respondents with regard to the amenities/services provided.
3. To suggest measures to CSR projects for sustainable development.

Methodology

Descriptive as well as case study method is adopted in this study as per the STUDY requirement. The samples were drawn based on 10 CSR projects undertaken by KIOCL Limited, Panambur, Mangaluru, in different parts of Karnataka. The projects were undertaken in different parts of Mangaluru, different parts of Bengaluru and Kudremukh. The sample was randomly selected from the above universe.

Community Services Rendered by the KIOCL Ltd.

KIOCL Limited, a flagship Company under the Ministry of Steel, Government of India, with Mini Ratna status was formed on 2nd April 1976. The country’s prestigious Export Oriented Unit having expertise in Iron Ore Mining, Filtration Technology and Production of high quality Pellets has its Corporate office at Koramangala, Bangalore and Pelletization Complex at Mangalore, the coastal city of Karnataka. Kudremukh, a peak in Sahyadri range in Chikamagalur District, Karnataka, having very rich deposits of Magnetite Ore was first discovered by Shri P Sampath Iyengar, a renowned Geologist. The projects undertaken by the company are:

1. Sponsoring of Cataract Surgery for the Poor in Bengaluru.

In this CSR Project the Shankara Eye Hospital, Bengaluru was given the responsibility to conduct surgery for poor and economically weaker section of the society, Bengaluru. The hospital was founded in 1982 and was named Sankara Eye Hospital, later called the Sankara Eye Foundation. The patients, officials or staff who were interviewed stated that the surgeries were successful and there were no case of complaints reported. This showed that the surgeries were done with care. The post-surgery expenses of the cataract surgery patients were borne by the company. The expenses included the further consultancy charges of doctors, charges for spectacles, and medicines. The patients and the officials stated that their experience with KIOCL was fruitful.

2. Rural Development Projects in and Around Bengaluru (Planting of Trees and Providing dustbins).

Under this project, KIOCL Limited has taken up green initiative projects in Ragihalli village. Adamyia Chethana is the executing agency and Indian Institute of Science was the planning agency for this project.

KIOCL Limited has planted 1000 medicinal and revenue generating plants in the village. In addition to this, the company has also installed plastic waste collecting bins in the village to minimize the negative effects on the environment. The officials of Adamyia Chethana and randomly selected people of the locality were interviewed regarding the facility provided by KIOCL Limited. All officials and the villagers, gave a feedback that this helped the people to dispose the waste properly in their area and maintain cleanliness in the village.

Further the experience of the facility provided by KIOCL to the officials and the villagers were satisfactory. This project highlights the green and clean initiative taken by the company.

3. Development of Tree Park in Pilikula Nisargha Dhama, Mangaluru

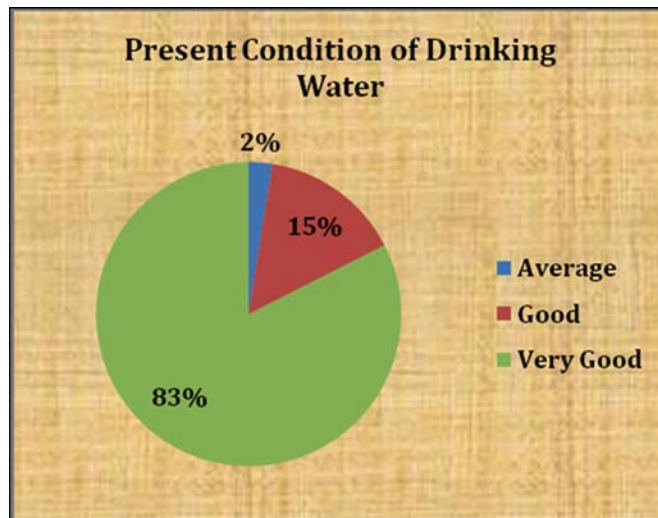
Pilikula Nisarga Dhama (Pilikula) is a major eco-education and tourism development project promoted by the District Administration of Dakshina Kannada in the beautiful city of Mangaluru, in Karnataka State, India. An integrated theme park with a wide variety of features, Pilikula has many attractions of cultural, educational and scientific interest.

The company in order to mitigate adverse effects of industrialization on environment over a period of time and to protect endangered species of Western Ghats, has initiated the concept of development of “Tree Park” in M/s Pilikula Nisargha Dhama, Mangaluru in an area of 15 acres by planting and maintaining saplings comprising of rare, endangered and threatened species of Western Ghats. With the funding of KIOCL, M/S Pillikula Nisargha Dhama is able to maintain the Tree Park.

4. Purified Drinking Water Facility to Sri Vivekananda Vidya Kendra, Hoskote.

Under this project, facilities like bore well, pump, overhead water tank, reverse osmosis, steel tanks for storage of purified water are provided in the school premises of Sri Vivekananda Vidya Kendra (SVVK), which is a not-for-profit private school in Hoskote, Bangalore accredited by the Government of Karnataka, India and managed by Vishwa Hindu Parishad Karnataka Trust. It mainly caters to the educational needs of students in Hoskote taluk and 92 villages nearby. Company also provided steel drums and 1700 water bottles for the usage of students. Around 1700 students and 100 faculties who are from rural and poor background are benefitted by this project.

Chart No. 1: Present Condition of Drinking Water in School



This diagram presents the condition of drinking water facility at present after the purifier is installed in the school.

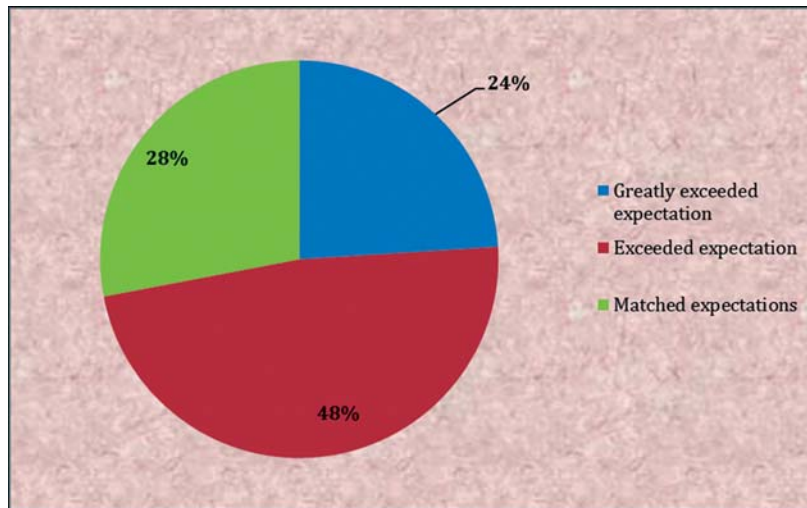
Majority (83%) of the respondents stated that the current condition of water facility was very good, while 15% of them stated it was good and 2 percent of the respondents stated the present condition was average.

Further interactions with the respondents revealed that prior to the installation of the purifier in the school, there was no proper facility for the students to get pure drinking water and after the installation of purifier the respondents are getting wholesome drinking water.

Construction of School Building at Taneerbavi, Mangaluru

Under this project, KIOCL Limited with an objective to support the community school located in the surrounding areas of the company, has constructed a new school building by demolishing the old building which was constructed in 1940. It was beyond repair and on the verge of collapse. This school is located very close to the Pellet Plant Unit of KIOCL. The school has around 60 students who are economically poor and were benefitted by this project.

Chart No. 2: Rating the Construction of the School



As per the data shown in the pie chart, the respondents have rated the construction of the services rendered by KIOCL Limited.

Majority (48%) of the respondents rated the construction of the school as it exceeded the expectation of the respondents, while 28% of them stated that it matched their expectations and 24% of them stated that their expectations were greatly matched by them. On the whole it could be concluded that, the construction has helped the students and teachers as all the respondents say so.

6. Overhead Tank and Supply of Water Facility to Resettlement Colony of SC/STs at Prokodi, Mangaluru

Under this project, KIOCL Limited has constructed overhead tank of 50,000 litres capacity for providing water to the resettlement colony set up for displaced families of SC/ST's at Prokodi, Mangaluru. They have been provided with water lines for sanitation and drinking from this overhead tank. There are 20 households in the resettlement colony and all of them have availed this facility.

Table 1: Satisfaction Level of the Residents on the Provision of Overhead Water Tank

Satisfaction Level	Frequency	Percent
Satisfied	12	60%
Very Satisfied	8	40%
Total	20	100%

The above table shows the satisfaction level with regard to the overhead water tank provided by KIOCL.

A Majority (60%) of the respondents stated that the people in the vicinity were satisfied with the facility provided by KIOCL Limited, whereas 40 percent of the respondents stated that they were very satisfied with the facility provided by KIOCL Limited. The project of construction of overhead

tank and supply of water facility to the resettlement colony of SC/ST's at Porkodi, Mangaluru highlighted that prior to the construction of overhead water tank, people faced lot of problems with regard to acquiring water. The facility provided by KIOCL Limited was extremely helpful for the people as it saved time from fetching water and also regularized the water facility in their area.

7. Construction of Toilets under Swacha Vidyalaya Abhiyan in Mangaluru, Bengaluru and Kudremukh (7 Schools)

The first project, was the construction of 22 urinals, 4 toilets, 1 bathroom and 3 wash basins for students in Alike Sathya Sai PU College, Mangaluru.

The second project was construction of toilets under Swach Vidyalaya Abhiyan in 5 Schools/Colleges, in Kudremukh and Mangaluru namely, Government Junior College, Kalasa, Government Higher Primary School, Balehole, Government High School, Hirebylu, Government High School, Samse, Sri Mujilnaya aided Higher Primary School, Nooralbettu. Under this project, KIOCL Limited has constructed 1 toilet Block (3 Urinals and 1 Indian Closet) for girl students and 1 Toilet Block (4 Urinals & 1 Indian Closet) for Boys each in following schools under Corporate Social Responsibility. Facilities like sanitary, washing, overhead tank along with pump was provided for usage of students.

The third project was construction of toilets to Government High School, Madiwala, Bengaluru in which 8 Toilets were for female students in Madiwala PU College, Bangalore under Corporate Social Responsibility. Facilities like sanitary, washing, overhead tank with pump is provided for usage of female students. Repair works of old toilets was also carried out to support the students from poor background.

Table 2: Rating of the Toilet Facility Provided by KIOCL Ltd.

Rate Facility Provided	Name/School College							Total
	Govt. School, Madiwala, B'lore	Alike Sathya Sai PU College, Mangaluru	Sri Mujimaya Aided Higher Primary School, Nooralbettu	Government Junior College, Kalasa	Govt. Higher Primary School, Balehole	Govt. High School, Hirebylu	Govt. High School, Samse	
Greatly exceeded expectation	10 20%	7 17.5%	35 100%	23 76.7%	23 76.7%	30 100%	20 66.7%	148 60.4%
Exceeded expectation	12 24%	19 47.5%	0	3 10%	7 23.3%	0	7 23.3%	48 19.6%
Matched expectation	25 50%	14 35%	0	4 13.3%	0	0	3 10%	46 18.8%
Less than expected	3 6%	0	0	0	0	0	0	3 1.2%
Total	50 100%	40 100%	35 100%	30 100%	30 100%	30 100%	30 100%	245 100%

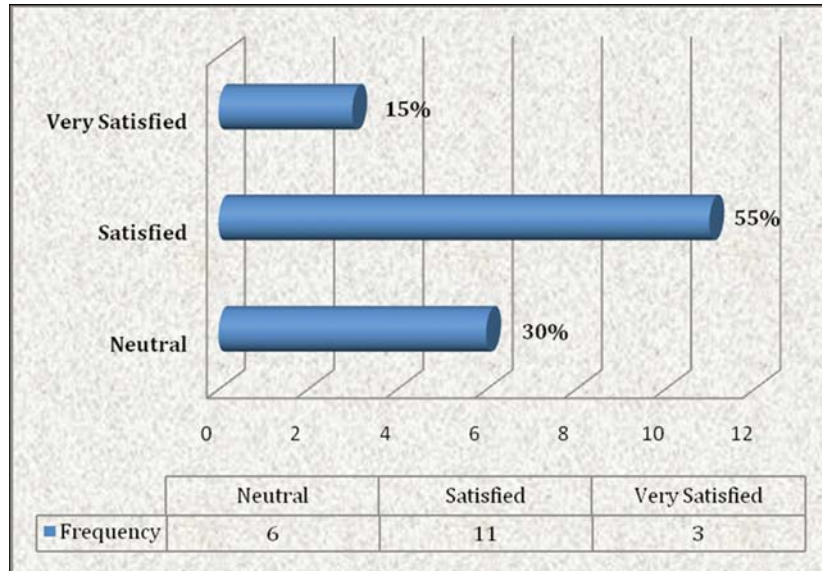
The above table shows the rating given by the students and the teachers of the school on the facility provided.

Majority (60.4%) of the respondents stated that the facility provided greatly exceeded their expectation, while 19.6 percent of them stated that the facility provided exceeded their expectation, and 18.8 percent of the respondents stated the facility provided matched their expectation. Only 1.2 percent of the respondents stated that the facility provided was less than their expectation.

8. Provision of Solar Street Lights at Bajagoli Village near Mangalore

The Project was undertaken during the year 2015-16. The company has provided 40 solar street lights at Bajagoli village, near Mangaluru. This project was taken up to promote renewable energy concept in rural areas and to support energy savings by bringing down electricity consumption. In this project around 2000 villagers were benefitted. The table below shows the satisfaction of the villagers regarding the installation of the solar light facility in their village.

Chart 3: Rating Given for the Street Light Facility Provided by KIOCL Ltd.



The above chart depicts the rating given by the residents of Bajagoli Village for the street light facility provided. A Majority (55%) of the respondents were satisfied with the facility provided, 30 percent had neutral opinion regarding the installation of the solar lighting in the village and 15 percent of the respondents were very satisfied with the solar lighting facility in the village.

Findings of the Study

1. A Majority (82.5%) of the respondents stated that the drinking water facility was very good after the purifier is installed in the school.
2. All (100%) of the respondents stated that there were enough classrooms for all the classes in the school after construction of school building by the company at Tanneerbavi, Mangaluru. They also confirmed that there are separate toilets for girls and boys in the school.

3. A majority (65%) of the respondents stated that they used to fetch water from the borewell available in their area, while 35 percent of them stated that they used the common tap for acquiring water for their requirements before the construction of overhead tank in Porkodi, Mangaluru.
4. All (100%) of the respondents in the study said that the present condition of the water in their area is regular now and stated that the overhead tank built by the company is also supervised by the company.
5. A majority (60%) of the respondents stated that the people in the vicinity were satisfied with the facility provided by KIOCL Limited.
6. A Majority (55%) of the respondents were satisfied with the facility provided
7. In Govt. School, Madiwala, Bengaluru, majority (50%) of the respondents felt that the construction matched their expectation.
8. In Alike Sathya Sai PU College, Majority (47.5%) of the respondents felt that the construction exceeded their expectation.
9. In Sri Mujilnaya Aided Higher Primary School, Nooralbettu, all (100%) the respondents felt that the construction greatly exceeded the expectation.
10. In Govt. Higher Primary School, Balehole, majority (76.7%) of the respondents felt that the construction greatly exceeded their expectation.
11. In Govt. High School, Hirebylu, all (100%) the respondents felt that the construction greatly exceeded their expectation.
12. In Govt. High School, Samse, a majority (66.7%) of the respondents felt that the construction greatly exceeded their expectation.

Suggestions for Sustainability

1. The toilets that are built, could the school authorities motivate the student council to take charge for the maintenance and cleanliness of the toilets? This way the facility is valued and responsibility is taken for its maintenance. A similar exercise can be conducted in the SC/ST colony.
2. Villagers and schools receiving clean drinking water, can be suggested to work on small water recycling units as well as water harvesting projects. This will help them to be sustainable in having required water for their usage.

- 3 To sustain the concept of Tree Park the general public can be invited to join hands and each one support one tree, so that people are sensitised as well as take responsibility for our greenery and there is a continued contribution of growing trees. Thus helping this green cover to slowly but surely increase.
- 4 Cataract surgery Patients who have gained through the free surgery given, could be motivated to extend voluntary service for other economically poor patients.
- 5 Based on the success of the CSR projects undertaken by KIOCL it could be further recommended that Purified drinking water facility may be extended to other schools also as safe drinking water is very essential for the healthy growth of children. The cataract surgery for the economically backward sections by the company can also be extended to other parts of Karnataka. The present government stresses on cleanliness therefore the concept of installation of dustbins, planting of saplings etc. can be extended to other localities too. A healthy school building adds to the education of the children. The company may concentrate on this area too. They can also extend their Swatch Vidyalaya Abhiyan to other schools. It can also be extended to villages where there is inadequate sanitation facility.

Conclusion

Koû Annan, the UN Secretary-General, at an event organized by business action for sustainable development, remarked “more and more we are realizing that it is only by mobilizing the corporate sector that we can make significant progress. The corporate sector has the nuances, the technology and the management to make this happen”.

The support extended by KIOCL to the community, was really needed as there was an acute demand for clean drinking water, education, health in their neighbouring communities. The school will facilitate the Millennium Development Goals for achieving universal primary education to the underprivileged. It is commendable that KIOCL understood the need of increasing the green cover in the city, toilet facility and drinking water to the schools and SC/ST community and took it forward, which is serving the community in their development.

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