

## 2. ACCOUNTABILITY CHALLENGES OF INDUSTRIALIZED ECONOMY : POTENTIAL FOR ENHANCING INDUSTRY - INSTITUTE - INTERACTION

Dr. A. G. Matani \* Vishwas N. Ahuja \*\*

### Abstract

*Indian industries have joined hands to fine-tune their activities covered under corporate social responsibility. For this, they have to set up a global platform to showcase all the work done by Indian firms.*

*This paper highlights various strategies adopted by different industrial organizations towards environmental protection and sustainable development in industrialized economy .*

*Key Words: Global demand, ethics management , community relations, sustainable technologies*

### INTRODUCTION

Considering socio-economic problems like poverty, illiteracy, lack of healthcare, limited government resources to tackle accountability challenges, scenario of corporate social responsibility has opened up several areas for businesses and industries to contribute towards social development. In today's increasingly demanding society, employers have to become more flexible to accommodate family-friendly work practices. Private businesses in Malaysia are being forced to change their products and services to reduce their environmental impact. Businesses satisfying the global demand for more ethical production and delivery are best placed to capture the rapidly growing market generated by discerning consumers and multinationals.

### KEY ROLES AND RESPONSIBILITIES IN ETHICS MANAGEMENT

1. The organization's chief executive must fully

support the program.

2. Establish an ethics committee at the board level.
3. Establish an ethics management committee.
4. Assign/develop an ethics officer.
5. Establish an ombudsperson.
6. Give responsibility for managing the ethics management program.

### INDIAN INDUSTRIES IMPROVING PUBLIC GOODWILL INDEX

Bharat Petroleum and Maruti Udyog were ranked as the best companies in India under Public Sector Undertakings ( PSUs ) . Bharat Petroleum and Maruti Udyog came on top with 134 points each, followed by Tata Motors (133) and Hero Honda (131). The study was based on a public goodwill index. India received 119 points in the index against a global average of

\*Faculty - Mech Engg. Govt. College of Engg, Kathora Naka, Amravati.

\*\* Manager ( Marketing & Finance) Devika Web Printers, Rajapeth , Near Ice Factory, Amravati.

100. Thailand was at the top slot with 124 points.

The Indian corporate sector spent US\$ 6.31 billion on social expenditure during 2007-08, up from US\$ 3.68 billion spent during the previous fiscal. The Steel Authority of India Ltd (SAIL) spent US\$ 21.05 million on CSR last year; Tata Steel Ltd, which runs a 850-bed hospital and rural projects in 800 villages around Jamshedpur, spends about US\$ 31.58 million as part of its annual revenue expenditure.

### KEY AREAS OF CORPORATE SOCIAL RESPONSIBILITY

Focusing on three key areas for Corporate Social Responsibility can help to create a cohesive map for the present and future:

- Community Relations,
- Training and Development, and
- A Cohesive Global Corporate Social Responsibility Platform

Encouraging Community Relations through HR team includes, implementing reward programs, charitable contributions and encouraging community involvement and practices. Training and Development programs explain the relationship between the company's core products or services and the society at large. Their value to the local community and ways in which employees can get involved in appropriate CSR projects would sustain and direct these initiatives. [Berenbeim]

Global Corporate Social Responsibility policy is important to acknowledge successes and measurements according to accepted standards. Central to measuring and communicating these results is the use of a Web-based Human Resources Information System (HRIS) which is to be made available globally to employees and managers with any Web browser. [Carroll]

### POTENTIAL ACTIONS OF DEVELOPMENT :

Possible areas and actions for the development of general knowledge programs should include,

- Establishing accessible and understandable means of benchmarking energy use, planning and implementing conservation projects, accessing resources and technologies.
- Ensuring inefficient, order appliances are taken out of the market their materials is recycled and any toxic components managed.
- Ensuring publicly funded institutions establish and maintain management reporting systems, which cover energy use, costs and savings potential,
- Engaging community organizations, non-governmental organizations and public interests groups in culture change, communication, education and implementation of conservation.
- Facilitating energy auditing and benchmarking of existing buildings and providing access to resources to implement retrofits.
- Integrating energy conservation and sustainable development strategies into school curricula; developing curricula to establish the skills, knowledge and behavior of conservation and renewable energy; developing guidelines for relating curriculum to energy efficient design.
- Organizing energy conservation and environment protection related training in colleges, universities and apprenticeship programs to cover all facets of energy management for industry and buildings.
- Organizing seminars, workshops or summer schools for decision makers and experts related to other energy fields.
- Pursuing strategies for job creation in the manufacturing of products and the delivery of services related to conservation and

renewable energy; accelerated development of new technologies. Increasing conservation related training to industry.

- Produce and broadcast programs and documentary films for television.
- Producing audio-visual materials that illustrate existing solar installations, as well as future prospects for these technologies.
- Publishing information, in the form of study articles and comprehensive, well documented reports, on solar energy and its prospects.
- Using web-based systems to allow comparison of energy use with comparable buildings and estimation of potential savings.

### **SOME CASE STUDIES OF INDUSTRIES IMPLEMENTING CSR**

- Air India Ltd in collaboration with the Tribune has instituted awards to recognize excellence and to promote the concept of, 'towards responsible and active citizenship'.
- ABB supports an initiative with Prabodhini, a leading NGO in the western city of Nashik where mentally challenged students learn in a special workshop, how to be productive. ABB Ltd India won the prestigious Helen Keller award in 2005 for its innovative projects to help people with disabilities to obtain jobs.
- BHEL has joined hands with a UN body 'Global Compact' to be a partner with global corporate houses for greater focus on corporate social responsibility.
- Bajaj Auto, Ashok Leyland, Tata Motors, Mahindra & Mahindra and Eicher Motors are developing hydrogen-blended compressed natural gas (HCNG)-run vehicles to minimize air pollution.
- Blue Star factories take active participation in providing temporary shelters and essentials for the victims of an earthquake, sponsoring health check-ups and health education programs in local schools.
- Coca-Cola India has started with a corpus of US\$ 10 million for its CSR activities in 2008. It has undertaken a project on water conservation, and the project "Elixir of life" to provide drinking water to nearly 30,000 school children. Coca-Cola India won the Golden Peacock Global Award for Corporate Social Responsibility in 2008.
- Considering the importance of fresh water Asian Paints has built a Total Water Management (TWM) Center, at its Bhandup ( Mumbai) manufacturing facility, which is a first of its kind in the entire country. This TWM center is a live working model on water conservation and rainwater harvesting. Asian Paints provides expertise to citizens free of charge to implement Rainwater harvesting and total water management concepts.
- Dena Bank has developed an Institute for imparting training to unemployed rural youth and women for capacity building . The bank has introduced a novel scheme " Dena Laxmi Shiksha Protsahan Yogana " to sponsor the education of a girl child in the villages. The bank is also actively involved to empower the farmers with latest technological developments in the field of agriculture, the bank has been arranging training programs to its farmer borrowers in association with agricultural university.
- Every year, Indian Oil reserves a fixed portion of its profits for a comprehensive community welfare and development program. About 20% of the community development funds are spent on the welfare of Scheduled Caste and Scheduled Tribe beneficiaries.
- Kirloskar Oil Engines Ltd is organizing free Health and Yoga awareness campaigns and free health check-ups for the nearby communities. Free Spectacle Distribution is also done for the nearby communities. Free Computer Literacy Programs are conducted for women and children from the nearby communities
- Pepsico India has signed the CII-Code for Ecologically Sustainable Business Growth to

decrease the consumption of natural resources and promote ecologically sustainable growth in the group.

- Sustainable Technologies and Environmental Projects Ltd (STEPS) are planning to start a project to change plastic, organic and electronic waste into petroleum without the usual harmful residue.
- Tata Motors and space agency ISRO are likely to launch the prototype of the world's cleanest vehicle that will run on hydrogen and leave behind nothing more than a trail of water vapour.

## CONCLUSIONS

Corporate companies like ITC have made farmer development a vital part of its business strategy, and made major efforts to improve the livelihood standards of rural communities. Unilever is using micro enterprises to strategically augment the penetration of consumer products in rural markets. IT companies like TCS and Wipro have developed literacy software for reducing illiteracy in remote communities. Banks and insurance companies are targeting migrant laborers and street vendors to help them through micro-credits and related schemes.

In addition to the above, the industries should focus on the welfare of economically and socially deprived sections of society. The need of the time is to accept the challenges of industrialized economy and enhance industry institute interaction towards survival of industries and institutions both.

## REFERENCES

1. Arnold H. Packer and Gloria K. Sharrar: Linking Lifelong Learning, Corporate Social Responsibility, and the Changing Nature of Work Advances in Developing Human Resources Vol. 5, No. 3 August 2003.
2. Berenbeim, R. E. "The Corporate Ethics Test". Business and Society Review Journal, Vol. 31(1), 1992, Spring , pp 77-80.
3. Brenner, S. N.. "Ethics Programs and Their Dimensions". Journal of Business Ethics, Vol. 11, 1992, pp 391-399.
4. Carroll, A. B. : "Principles of Business Ethics: Their Role in Decision Making and in Initial Consensus". Management Decision, Vol. 28(8), 1990, pp 21-23.
5. Charles J. Guenther, Jr., Co-opting Ethics Education: Ethically Challenged Ethics Lessons, Bulletin of Science, Technology & Society, Vol. 20, No. 6, December 2000.
6. Genfan, H. : "Formalizing Business Ethics". Training and Development Journal, November 1987 , pp. 35-37.
7. Jill Murray: Corporate Social Responsibility Discussion Paper, Global Social Policy, Vol. 4, No. 2, 2004.
8. John Roberts : The Manufacture of Corporate Social Responsibility: Constructing Corporate Sensibility, Organization, Vol. 10, No. 2, 2003.
9. Kirrane, D.E. : "Managing Values: A Systematic Approach to Business Ethics". Training and Development Journal, November 1990 , pp. 53-60.
10. Lisa Whitehouse: Corporate Social Responsibility, Corporate Citizenship and the Global Compact: A New Approach to Regulating Corporate Social Power? Global Social Policy, Vol. 3, No. 3, 2003.
11. Madsen, P., & Shafritz, J. M., :. "Essentials of Business Ethics"., Penguin Books, New York 1990.
12. Marc Orlitzky, Frank L. Schmidt, Sara L. Rynes : Corporate Social and Financial Performance: A Meta-analysis, Organization Studies, Vol. 24, No. 3, 2003.
13. Norman J. Glickman and Lisa J. Servon : By the Numbers: Measuring Community Development Corporations' Capacity, Journal of Planning Education and Research, Vol. 22, No. 240-256, 2003.

