

# REDEFINING THE CSR PRACTICES OF NALCO ON CARROLL'S PYRAMID

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## **ABSTRACT:**

Corporate Social Responsibility practices concentrate on a variety of problems including education, health, human rights and safety etc. CSR moreover covers environmental sustainability, corporate governance, working conditions and economic development. CSR is also concerned about society and its social progress and environmental development. The researcher here concentrates on the CSR practices of the Alumina Company in India, in specific to NALCO. The secondary source of data is mainly used for this research work are collected from the literature, printing materials, Journals, research papers and web site of NALCO. Besides the profit as the business goal, it is also the responsibility of the corporate sectors for public and the community for their quality life, economic status and development. Pyramid of CSR is a simple framework which helps to find out why and how the social responsibilities should meet by the organizations. The general assumption as per the Carroll's pyramid speaks about the hierarchy of CSR is Economic, Legal, Ethical and philanthropic from bottom to top. The paper concludes that based on Carroll's pyramid of four major practices. NALCO is concentrating on most of the activities as a Philanthropic Responsibility followed by Economic, Ethical and at last Legal Responsibilities.

**Keywords:** Corporate Social Responsibility (CSR), Carroll's Pyramid, Corporate Sector, NALCO.

## **1. INTRODUCTION:**

National Aluminium Company Limited is a group 'A' CPSE Navratna Company under Ministry of Mines, Govt. of India, having the diversified and integrated operations in the field of mining, metal and power.

CSR plays a major role in that stored by a fashionable ethical business which empowered for the bottom line and extended a great way into top wider interest. It is about the organisation's existence effects beyond own insular judgment on the communities a large. Day by day it becomes popular and more than 80% of industries proudly reported on CSR. The main policies are "do no activities with do good things" almost has the major help of CSR. (Bird et al. 2006) elucidate that, "the indication of the relationship between CSR activities within companies and their performance". Here, we can investigate by studying about the CSR and CSR activities of NALCO with indication to the Carroll's CSR pyramid model.

### **Objectives:**

CSR also one of the aids of HR activities and potential recruitments, it has decided to join a firm, enhance staff performance and community voluntarily. The prime objective is to research in the field of CSR is to identify the CSR responsibilities of NALCO concerning Carroll's pyramid. The researcher concerns about three major objectives.

1. To research on the secondary data intends to examine ongoing CSR practices in NALCO
2. To find out the CSR performance of NALCO based on Carroll's pyramid.
3. To suggest for the growth and development of peripheral areas as well as the society and implementation of the innovative measures

### **Methods of Study**

It is a secondary data analysis based on the data which includes official records, annual reports, journals, articles, newspapers, and website of NALCO and other sources.

### **LITERATURE REVIEW:**

CSR is an industrial commitment to operating in an environmentally, economically and socially sustainable manner which recognizes the interests of the beneficiaries. The commitments are ahead of the statutory requirement. CSR is closely linked with the practices of sustainable development. CSR is lengthening further than philanthropic activities and get in touch with the assimilation of business goals and social development. These activities would need to be helpful for the secure sustainable aggressive improvement for a long term plan.

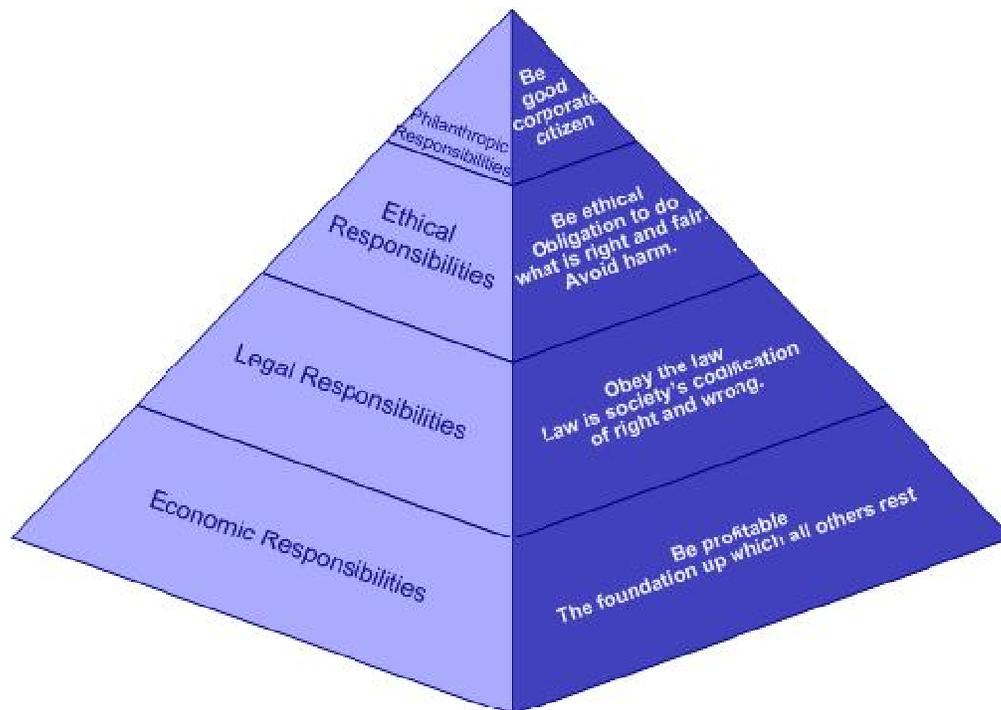
Corporate Social Responsibility has been put up by Ackermann in 1975, according to him "Managers have to work as per their choice; research has done in the field of CSR with varies approach in managerial control." Jamali and Mirshak, 2007 have described that "CSR as a set of management practices that ensures companies maximize the positive impact of operations on society". B Arora and A Purmanik, 2004 explained "industries on CSR in our

country conclude the fact that CSR in India seems to be in a confused way. It has undertaken the name of philanthropic to not preventing the mainstreaming”.

According to A.K.Agarwal,2008 “CSR in India, the first comprehensive and well-researched book on the subject in India, where the author uses Indian examples, case studies and CSR role models from the Indian industry to explain the gap between Indian business needs and current practices”. CV Buxi and Ajit Prasad,2005 in his concept and cases of the Indian Express said, “the project case of the case which on CSR by taking many industries is as follows; IFFCO, Infosys, NTPC, KDT Hospital, Titan, Aviva, Wipro Ballarpur industries and Times of India” which described the cases for further research. Vicianova, 2011 “CSR as a commitment to improving community welfare by discretionary business practices and contributions of the corporate”.

CSR pyramid was presented by A. Carroll on 1991 “highlights on the four main responsibilities of the organization” such as Philanthropic, Ethical, Legal and Economic (Figure-1). Many scholars from the globe and India have researched in the field of CSR in various approaches over a good number of literature studies.

**Figure-1: Carroll's CSR Pyramid**



Source: Carroll's Pyramid Model 1991

### 3. CSR PRACTICES OF NALCO:

### 3.1. The CSR Policy of NALCO

“Corporate Social Responsibility is an obligation of every industry to be held responsible to all of its associates in the activities and operations to achieve imperishable development in the environmental dimensions, economic dimensions and social dimensions. As a responsible corporate citizen, NALCO is committed to concentrate on the issues related to sustainable growth for Profit, Planet and People of its business. It makes an effort is to ensure inclusive growth of the weaker sections of the society through its CSR involvements in its sphere of operations. The philosophy of CSR is well-established in the business processes of the Company. Its core values “BEST” captures its commitment towards the development & well-being of the society”.

**Benefitting Stakeholders:** “It provides our customers, suppliers and other stakeholders with the utmost level of value, service and satisfaction”.

**Excellence and Quality:** “It ensures that the products, manufacturing & business processes adhere to the highest quality levels and standards”.

**Sustainable:** “which is relentlessly pursue sustainable practices and create a positive impact on the communities we engage with”.

**Trust and Integrity:** “To conduct the dignity, integrity, equity, transparency and accountability to build trust”.

**The CSR mission of NALCO:** “to achieve growth in business with a global competitive edge providing satisfaction to the customers, employees, shareholders and community at large”.

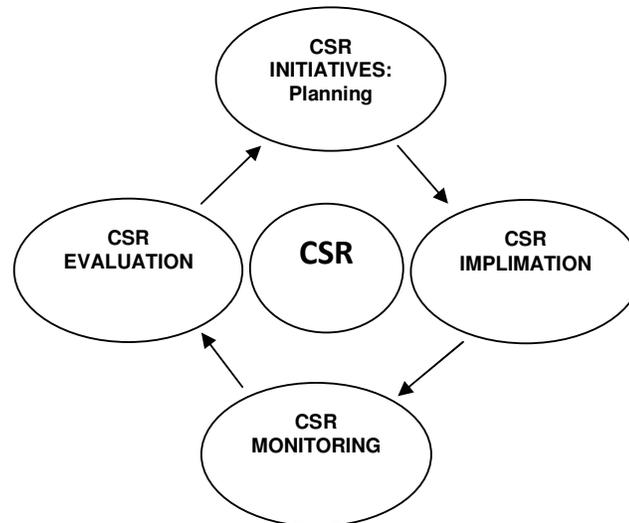
**Table – 1: Objectives of NALCO**

• To improve socially, culturally, morally, economic status and community care
• To uplift downtrodden and deprived people to develop the standards of living and community quality life.
• To assimilate the CSR guidelines into the development of the Company.
• To build up a better framework to afford the economic and social need of the community of the adjoining area.
• To set up safety policies as well as good environmental Policies.
• To provide enhanced health education and health care.
• To provide support to encourage game and sports facilities.
• To endorse awareness of Art, Craft and Cultural activities.
• To promote welfare actions for the needy people of the society.
• To progress the standards of living and the importance of livelihood of the neighborhood

### 3.2. CSR PROCESS AT NALCO:

The CSR process of Nalco has referred to as in Figure: 2.

Figure-2: CSR Process of NALCO



Source: NALCO

#### 3.2.1. CSR INITIATIVE: The Planning

Planning is the most important tool to achieve the CSR plans, it may be a long term business plan or short term plan and has to require for any specified activities undertaken relating to the baseline survey, responsibilities of authorities, allocation of the budget and expecting measurable results with the timelines prescribed.

“The long-term Corporate Social Responsibility Plan should match with the long term Business Plan. This should be broken down into medium-term and short term plans”. (CSR Guideline for CPSE, 2010)

#### 3.2.2. CSR IMPLEMENTATION:

Implementation of the plan is involving shorten guidelines such as:

- Participation of different organizations as Community Based Organizations, Voluntary Organizations and Specialist Organizations;
- Surveys on base-line;
- Documentation of the experience;
- Focus on CSR setup plans ;
- Monitoring and Evaluation of the plans;
- Adhere knowledge for future activities and learn from the present plan

### 3.2.3. CSR MONITORING & EVALUATION: Documentation and Baseline survey

The base-line survey is mandatory to find out the impacts made to the best possible activities before starting any projects.

CSR relating documents such as approaches, programmes, policies, budgets and others to be clear in the picture, which can be put in the internet, public domain and in works of literature etc.

### 4. The CSR HUB as per CPSE

The National CSR Hub will embark on the process with financial support grant by the Department of Public Enterprises. In conjunction with the CPSEs and SCOPE the Department Of Public Enterprises will create a National CSR Hub which will carry out/smooth the progress of the subsequent actions (CSR Guidelines for CPSE, 2010):

- *To the creation of database, documentation, and compilation Nation-wide.*
- *To advocacy.*
- *Do research*
- *To grounding of panels for executing organisations/ scrutinize and appraisal of Agencies.*
- *Carry out the different promotional actions, creation of short films, publish of the brochure and pamphlet etc.*
- *To conduct national and international level Seminars, Workshops and Conferences.*
- *Take action as a brain trust.*
- *All the matters as assign by the Department of Public Enterprises as and when required.*

There are various advantages of CSR described by many writers, Table- 2

**Table 2: CSR practice and its advantages**

<b>Types</b>	<b>Writer</b>	<b>Advantages of the CSR practice</b>
Employee- Involvement	Ali et al (2011)	<i>Accomplish the customer services and corporate goals, loyal to the organization, hard-working, and for the success of the organization make an optimistic impact on this filed.</i>
	Stancu et al (2011)	<i>Employees' commitment and effects for respecting to the employer, quality service or product depends on the stage of training and motivation of the employee, facilitate the organisations of good reputation, a strong association with in-house team members and enhanced scope of the profit.</i>

	Sweeney (2009)	<i>Boost employee motivation, attraction and retention.</i>
	Jones and Kato (2005)	<i>Improve the ambition of employees and managers, improve the quality and efficiently handled by Management.</i>
Customer Focus	Loureiro (2012)	<i>Attracting to Customers' consciousness and Increasing the value-added activities.</i>
	Sweeney (2009)	<i>progress on the sales and loyalty to the consumer.</i>
	Bhattacharya and Luo (2006)	<i>Long-term profitability and marketing assessment, the intensity to satisfy the customer on services and products and giving priorities on social firms, also enhance the facts to the customer.</i>
	Dahlstrom and Classon (2006)	<i>Affect customers' awareness of services and products, the mastery of profitability and consumer loyalty.</i>
Environment	Crifo and Forget (2012)	<i>Decrease harmful peripheral consequence (Declining pollution).</i>
	Lyon and Maxwell (2008)	<i>Progress the social welfare, selling of Eco-friendly Products, decrease the price and limiting the wastage.</i>
	Sweeney (2009)	<i>Preservation of water, reduction the scrap and saving of the energy.</i>
Corporate Governance	Wise and Ali (2009)	<i>Improve profitability, competitive advantage and enhanced the business of the global perception.</i>
	Riyanto and Toolsema (2007)	<i>CSR facilitate to resolve the organization problems and enhance the managerial endeavour.</i>
Community and Society	Ismail (2009)	<i>Develop the welfare of the local community and employees. generate sustainable development,</i>
	Sweeney (2009)	<i>Enable the participation of the people of the locality.</i>
	Uddin <i>et al.</i> (2008)	<i>Develop the excellence of the employees and the public. Build up better relationships with all groups of society.</i>
Human Right	Weigel (2011)	<i>Progress on human rights deliberation and pleasing to the eye on social justice programs.</i>
	Rabet (2009)	<i>Persuade the behaviour of the company on human rights and the occurrence of human rights to honesty over prosperity.</i>

Different CSR activities of NALCO an ongoing CSR practices are highlighted as the features and programs on Table: 3.

**Table 3: CSR Activities of NALCO an ongoing CSR practice**

<b>FEATURES</b>		
1	Introduction	Since 29 years
2	CSR Values	Growth and Prosperity
3	Approach	it is the responsibility, It's not Charity
4	CSR Activities	Taking care of industrial safety, Rehabilitations, Education, Training, Transportation, Communication, Drinking Water supplying, Job on a direct and indirect basis
5	Investment	Minimum 2% of gross profit
6	Plans	Expenditure on CSR activities, the amount of to be double
7	Process	CSR Planning, implementation, monitoring and evaluation.
8	Focus	Development of Peripheral areas.
<b>PROGRAMS</b>		
1	Education	It has set up Delhi Public School and Saraswati Vidyamandir in the township and Schools near to the peripheral areas at Damanjodi and Anugul.
2	Health	Full setup community hospitals at the township of Damanjodi and Anugul, Mobile health check units near peripheral areas, Conducting health camps every year, Sanitation programs, Free medicines and set up COVID care hospital at Nowrangpur during the pandemic Covid-19.
3	Infrastructure	Contributed many schemes in Odisha, such as Puri Anand Bazar renovation, Development of Plant areas Damanjodi, Anugul, Vizag and support to the Government during cyclone and pandemic in emergency and national disaster.
4	Environment	Plantation in different place of Odisha and capital city. Planning to save the tree and develop a green revolution.
5	Community development	Training for innovative farming, creating direct and indirect employment and income generation, promoting Art, craft and culture. Creating awareness on Health and Education.

**5. FINDINGS:**

Concerning the detailed performance of CSR activities of NALCO, we found out the following major points as per Carroll's pyramid described in Table - 4.

**Table 4: Analysis of the CSR performance of NALCO as per Carroll's Pyramid**

Philanthropic	Employment is given to the displaced families against the land acquisition by NALCO.
	Nalco has given a huge amount of money towards the upliftment of the affected people. During the contingency period and Covid pandemic period.
	Different English and Odia medium schools have established both for the children of NALCO employee and children of nearby villages to NALCO.
	Constructions of halls, plants and parks and community centres and It have invested lots of money for the peripheral development.
	NALCO has given importance towards some special projects for the development of Anugul, Damanjodi, Puri and Bhubaneswar.
	NALCO has produced a documentary film named Parivartan in Damanjodi, Koraput District. Also, many awareness programs to educate the local people.
	Given the importance and spent a huge amount of money towards the upliftment of Odisha's culture and sports.
	Community members were appreciated for Peripheral developmental work.
	NALCO has not left anything to change as far as CSR initiatives are concerned. Rather more and more new areas of activities are being added to enrich the field and to meet the needs of all stakeholders.
Economic	NALCO has decided to spend 2% from its overall net profit which was almost double what it used to spend earlier.
	During the contingency period, Nalco has given a huge amount of money towards the upliftment of the affected people during the cyclone and covid pandemic situation.
Ethical	NALCO has successfully implemented its social obligation responsibility by improving financial performance and creating a favourable image in the minds of the stakeholders.
	Nalco has also spent a huge amount of money towards the upliftment of Odisha's culture and sports.
Legal	The local communities also expressed their satisfaction but claim for more scope to generating different schemes for employability for the son of the employee, Nalco management may be taken up by the soil policy.

**6. SUGGESTIONS:**

1. Importance given to education and training as well as employability to the local people.
2. NALCO may sponsor for different small scale industries to providing work to the tribal local people and giving importance to the daily wage labours.
3. Giving priorities on the awareness programs like population control and increasing literacy levels of the labour and weaker sections.
4. Different schemes provided under peripheral schemes and maintenance of services should be taken care of by NALCO.

**CONCLUSION:**

CSR activities of NALCO becomes a philosophical decision rather than Economic, Ethical and lastly Legal decision and more a business decision. CSR programs support to doing business as well as insist on doing community development. Advertisements and branding promotion of the companies that follow upon CSR program, the companies those are implementing CSR it makes a good business decision for itself. Basing on the above findings we may conclude that, NALCO has given excellent effort towards implementation of CSR program also committed to growth and development of the peripheral area in a continuous effort.

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