

Chapter SIX

Implementing and Accounting of CSR Initiatives

A clean environment is a human right like any other. It is therefore part of our responsibility towards others to ensure that the world we pass on is as healthy, if not healthier than we found it.

— Dalai Lama

6.1 Introduction

It is suicidal to undertake CSR initiatives just to satisfy the philanthropic ego of the donor company or to satisfy the spending norms fixed by the State or the company itself. Expenditure made on CSR initiatives should serve the purpose of the communities of the neighbourhood and the company as well. This means, the CSR outlays should result in ‘effective’, ‘measurable’ and visible ‘outcomes’ and ‘impacts’ and not as mere ‘inputs’ and ‘outputs’. Any interventions failing to fall within the above parameters hardly come to the rescue of the company at critical junctures when communities having or expressing displeasure over the company. Otherwise, environmentalists, nature lovers, reformers and others fighting for the cause of community may certainly add fuel to the fire.

Provision of community infrastructure, household infrastructure, community services and livelihood are the important areas for CSR interventions. Selection of appropriate areas for intervention needs to be done scientifically. Every rupee spent

should reflect the purpose of the intervention and impact of the same should be visible. Hence, it is essential to undertake accounting of CSR interventions.

The CSR activities undertaken in the communities in the neighbourhood have to be recorded carefully. Hence, it is essential to conduct accounting of CSR initiatives on an annual basis and also prepare the indents of proposed activities. Propaganda about both these would protect the company from criticism whenever the satisfaction levels are found to be less than the optimum.

Hence, it is essential to discuss the methods of implementation of CSR initiatives and preparation of tools and techniques for their accounting. Such methods of implementation and accounting of CSR initiatives help the industrial unit in understanding the gaps between interventions made by the company and expectations of the neighbourhood communities, and to take up appropriate steps to fill the gaps, wherever necessary.

6.2 Repositioning the Industrial Unit

The word 'repositioning' is self-explanatory. It simply means, modifying the character of an issue or an item or an institution to meet an unmet demand or to suit a newer demand. In the context of CSR, the industrial units have to reposition themselves to suit their long-term sustainability. No doubt, industrial units present their indelible imprints as exploiters of natural resources, manpower resources and livelihood opportunities and as tormentors of environmental safety and health conditions of human beings and cattle. In addition, not much defence is profound to prove it otherwise. Even those industrial units, not causing any such harm bracketed similarly, in general, owing to the images the industrial houses carry. From such a negative scenario, the industrial units need to reposition themselves as benefactors of the society at large. The CSR offers the best opportunity to industrial units in repositioning themselves as benefactors of natural resources, manpower resources, livelihood opportunities and as an institution working for achieving the environmental safeguards. Essential steps in repositioning the industrial units as benefactors are discussed below.

1. Quantum of CSR Support If all the activities referred in this book are to be followed and implemented, it may require more funds for CSR even when compared to establishment of an industrial unit. The industrial unit should ascertain what it requires to do to satisfy the immediate community in the near future and in future by taking the units industrial activities into consideration. Size of the company does what is essential and what is not. Bigger companies can undertake the activities in tune with its size and CSR funds available. The Reliance, biggest industrial house of India, for example, has been running a 500 bedded hospital in Mumbai. Smaller units cannot afford such facilities. Likewise, the Hindustan Petroleum Company Limited has been undertaking activities like *Unnati* and *Swavalambam*. The *Unnati* is meant to provide computer skills among school-going children and *Swavalamban* is meant to impart training skills among

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