Corporate Social Responsibility
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Lecture - 27
CSR Design and Implementation: CSR Process

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and in the previous classes we have discussed how the CSR process should be framed. So, in this class we will take that discussion further in this lecture we will take that discussion further and we had discussed how stakeholder integration can take place in the CSR process.

Now, I will share with you a few more models that have been suggested a few more methods that have been suggested regarding how CSR can be integrated into this strategic process into the process of planning and implementing strategy of the organization.

So, like I told you in a previous class I will not give you know one of this is not a one stop shop for methods I will not give you ten steps to effective CSR planning 15 steps to implementation 20 steps to improvement no I am sharing with you what people across the world have done and I hope that you will be able to pick whatever you think fits best with your needs and come up with something that is unique to your specific environment to your specific situation I am only a facilitator. So, I shared with you the stakeholder integration model.

Now, I will share some more methods some more models of the CSR process and that is how you do CSR and so that is something that I want to show you. So, let us see what we have here for you.

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The CSR cross is now one method that has been suggested here is by O'Riordan O'Riordan and or O'Riordan and Fairbass I hope I am pronouncing their names right and they have suggested this, these 2 phase CSR process. So, in the first phase they say that the CSR strategy is developed and this phase consists of the values that the organization has and these values have are you know consist of the vision and the mission of the organization and the integration of the social responsibility that the organization is planning to take up into the vision and mission of its into its existing vision and mission.

The second aspect of the values is objectives what is the organization trying to do what is it where is it heading. So, CSR the socially responsible aspect of the business is integrated into the values as objectives this is what we want to achieve point 1, point 2, point 3 every company has a vision and a mission and objectives.

Now, the social responsibility of the organization is integrated into the vision mission and objectives right at the start then the scope is defined how much do you want to do how much are you willing to spread what do you want to achieve where do you want to go how far do you want to go with helping the society.

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So, that is integrated here then within phase one then we have alternatives you know different alternatives are explored what are the stakeholder priorities I told you we discussed stakeholder expectations we discussed what stakeholders want what kinds of things do they expect. So, what are the stakeholder priorities and how far are you willing to attend to them the causes that you support different alternatives are generated the causes that you want to support through your organization are decided at the planning stage, at the CSR planning stage what kinds of things do you want to support what kinds of activities do you want to support how far do you want to go with helping the community we had discussed Professor Prakash say it is different states that here proposed.

So, which states do you feel you are at how much risk are you willing to take. So, all that is taken care of here then what kinds of causes do you want to support then methods of support what do you want to really do we are talking about how CSR what do you want to really do you want to go out into the field and help physically. In that case you will have to have people who are willing to volunteer you will have to have resources you will have to have the means to go physically into the community and take care of things. So, methods of support or do you want to gift cash donations do you want to help out with equipment do you want to have certain days in a year do you want this to be a regular affair all that has to be decided then the practices and policies.

Methods of support how do you how far do you want to go what kinds of things do you want to do. So, what kinds of things do you want to do how far do you want to go what do you have what are the methods you have to support whatever it is that you want to support, do you want to go out into the field do you want to donate equipment do you want to offer services do you have the time do you have the money do you have people who are willing to go out into the community and get in touch with the community. And help them out do you want do you know do you want to allocate a certain number of employees only for this purpose what do you want to do.

So, methods of supporting that needs to be decided then the practices and the policies what do you; what are you actually what are you already doing and what kinds of policies do you want to frame. So, that it can continue to happen in future. So, these different alternatives need to be generated at this stage what do you want to do what are the options available to you how far do you want to take this how when we talk about policies we are we are talking about putting everything down and black and white

So, you know making and putting everything down formalizing everything and then you know what kind of policies do you want to drafts. So, all those options are generated in the planning stage then.

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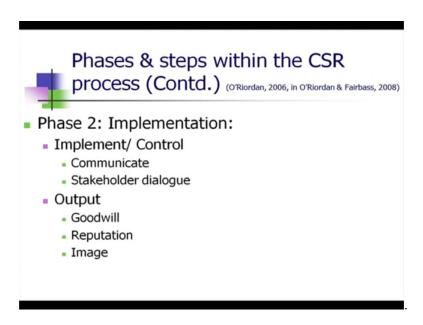


The strategy that you want to adopt; so, how do you select this strategy what combination what combination of practices do you incorporate into your strategy. So,

different strategies are discussed these strategies need to be or the strategy of incorporating CSR needs to be based on the value it brings to the organization and the fit of this strategy with the current strategy that the organization has with the organizational culture.

What is the organization all about what is the culture in the organization how you know. So, if we cannot really go into that discussion at this point, but you know you; you really need to have an understanding of how this can be integrated with the organizational culture with the context with the environment with what the organization is doing with where it is headed all that needs to be brought together.

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The second phase that O'Riordan and fairbass suggests is the implementation of CSR.

So, they talk about implementing and controlling different stages with an implementation or implementing and controlling communication we will have a significant amount of discussion on CSR communication. We have already talked about stakeholder dialogue how do you implement things you tell people what does communication you tell people where you are headed what do you want to do and in telling people you end up doing you know you implement things by telling people you delegate, you tell people what needs to be done you convince them to come on board with you tell people what needs to be done you ask for their feedback you integrate whatever they tell you.

So, you; so, and stakeholder dialogue needs to take place what do the stakeholders want are they happy with the policies you draw policies in consultation with them again this is not the stakeholder integration model, but this too talks about the importance of stakeholder dialogue only in the implementation stages. Whereas, in the stakeholder integration strategy these stakeholder dialogue was throughout right from the planning to the implementation to the feedback stage it was there then we then there is the output what is the output of the CSR activity that you doing you know in implementation you also see you measure the goodwill you do not measure it, but you can see it. So, you make a note of it you reported reputation is another output your public reputation improves your public image improves the third output is your image and you assess that you assess your goodwill you assess your reputation you assess your image.

So, these are all. So, these are all the elements of the output you generate goodwill you have you CSR enhances your reputation CSR enhances your public image we will talk about the benefits of CSR in one of the upcoming lectures and you will see how each of these activities contribute to something of value to the organization.

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Now, another model has been proposed by Bakic and that model talks about a ten step process the first step is ensuring compliance and commitment of the top management of an organization you want to do CSR your top management has to be on board your top management has to be convinced they needs to be able to comply with whatever you are

whatever needs to be done they also need to be committed they need to be able to take it from beginning to the end.

So, that is something that needs you start that is where you start if once the top management is committed then you analyze existing business policies processes and performance in the context of social responsibility you find out what is it that you are doing currently that helps you fulfil the expectations of the world around you.

So, that is very very important you try to find out what which of the existing policies practices and processes and performances help you fulfil your responsibilities to the environment. Make a note of those find out where the gaps are find out what you are doing well what you are not doing well where you are coming up to the expectations of the society where you are not where the where does the environment expect more from you then what do you do is you identify key aspects of the business used by a company to influence the local community, which part of your business is going to influence the local community, which part of your business is going to help the local community, is it the production maybe not in the production the maximum you can do is you can control the damage you do to the environment around you I am talking about big factories I am not talking about service industry service industries yes there is some output.

So, if you are running a restaurant make sure you do not throw food the leftovers on the streets make sure you do not you know encourage stray dogs and stray cats and monkeys to come and eat the food that you discard make sure you dispose of the leftovers and the food that that is leftover at night. And the food that people leave on plates in a manner that is conducive to the environment either you know you can have pit compost pit or you know for left over for food left over on the plate of plates of people which cannot be consumed by others that can be put into a compost pit and the other kind of food or the food that is leftover that that is fresh. But that is left over at night that nobody has consumed that can be given to the people on the street or to some someplace you know you can put it in the fridge you can give it to an orphanage you can give it to some place that can use this food.

So, instead of letting it go waste that is one way of helping the community otherwise if you throw it out on the street what will happen is stray dogs stray cats stray even monkeys rats rodents cockroaches everything will make its home in that locality and

everybody will blame you for it. So, that is something that we do not want happening. So, that is socially responsible behaviour you know at the production stage at the operation stage minute every stage find out where you can make a difference if you are a restaurant it is not only important to serve say free meals or give something maybe this is one way in which you can take care of the community you can make sure that your physical existence does not harm the world around you.

So, you find out whichever business you are in if you are in the business of education for example, you are a teacher you are running a school maybe you can have some programs for the lesser advantage children for the vulnerable groups or for adults maybe something that is something you know maybe that is something you can do which part identify the part of your business that can help the society around you and that can within the organization that can that can do something above and beyond what it does to make money within the organization and outside the organization. So, that is something you need to really put your finger on and document step stage 4 or step forth in this model that has been proposed is identifying problems of local community and their connection to business interest what is it that the local community is facing what kinds of problems are they facing and how can your business help solve those problems.

So, you drop a connection you find out what kinds of problems they are facing and you drop a connection between what you can do what kind of skills between the kinds of skills your people have and what the organization or what sorry what the community needs done and drop this match and then see where you can make a difference using existing skills existing capabilities existing resources. Then step 5 you define your goals your strategies and your operational plans now you would not have what you need you have what you need you have found out what the community wants you have found out what you can do you have found out the match between what the community wants what it expectations are where you can make a difference what your people can do you have the commitment of the top management.

So, now you can start bringing things together you have your side of the picture in place now what you do is you say this is what the community wants this is what we can offer this is where there is an overlap within this part of the overlap. Let us see what we can do you define your goals we want to go from point a to point p we are disposing of our waste food, but maybe that is not enough maybe we can have a bottle recycling centre

since we are running a restaurant and there are. So, many plastic bottles being generated maybe we can just have a recycling bin put outside our restaurant or we can collect something you know if you really want to do something maybe you can have a centre for the collection of recyclable items not a centre, but just maybe a big bin. So, anybody walking on the street can throw their recyclable items into that that is one way in which you can help the community and you have somebody come and pick it up.

So, that is you know that is where what you are doing matches with what the community can use also just on the outskirts I gave you the example in a previous class of IIT Kharagpur running a school within our campus we have at large you know we have 3 schools and we have varied reasonable amount of space given to the schools lot of facilities are given to the teachers. So, you know, they have the facilities and a lot of very good teachers come here and teach and those facilities are open there they have been set up primarily to help the children living within the IIT campus with children of employees teachers students staff everybody plus kids from outside also come and they use the same facilities. So, everybody is happy there is a there is a way in which we are helping the community by doing something that we are we are helping the community within it outside the organization.

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So, you keep these things in mind and on based on these you draw up plans to have you decide on your goals you decide on your operate on your strategy you decide on your

operational plans you decide how you want to go about doing these things then what do you do is you provide necessary human and material resources you draw up a plan you write down a plan this is what we want to do this is the timeline this is the budget and then you give the necessary human and material resources. So, you budget for management coordination of activities and communication. So, you budget for these things communication to the community communication to the beneficiaries about what you are doing communication to your staff you have people who can take care of these things you have people who can coordinate these things then you also budget for specific costs of implementation activities you have 2 types of cost here one is the coordination of management and coordination of activities and the communication the second is the specific costs of implementation activities.

So, while implementing how much cost do you incur and that has to be budgeted for then implementation of programs and plans is step 7. So, in the seventh step once you have given the necessary human and material resources then you plan for implementation of then you start implementing the programs and the plans that you have then you measure the results and effects. So, once you implement your programs after that you start measuring we will also talk about measurement of CSR in the upcoming lectures.

So, you measure the results of your work you measure the effects of your work you report and communicate these results and then you step 10 is you research the perception and attitudes of internal and external stakeholders. So, you find out what you need to do you report you communicate the results you research the perception you find out how people have perceived whatever you have done you find out what people are thinking about what you have done and people within the organization and people outside the organization and after you have done that you go back to step 5 which is you may want to define goals strategies and operational plans.

So, after you have evaluated everything you have found out what you have done you have reported the results you have evaluated them you based on your evaluations based on your measurements you have researched the perception you have found out what the stakeholders think about what you have done then you go back and you may need to revise this you may need to redefine goals strategies and operational plans and the cycle continues the top 4 have already been taken care of this is one more model.

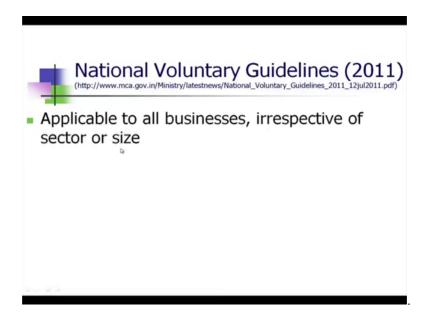
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Now the third model is this model that has been suggested by the national voluntary guidelines on social environmental and economic responsibilities of business ministry of corporate affairs government of India I told you about the business responsibility reporting guidelines and these had been shared with you.

So, the national voluntary guidelines we discussed this as a part of CSR in India and we discussed the national voluntary guidelines of 2011 proposed by the ministry of corporate affairs.

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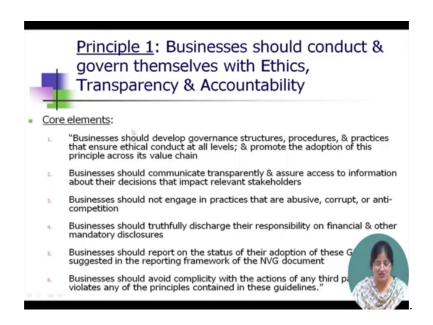
And we had talked about the various principles very very briefly we will just go through these and then we will go back.

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And you know this is a slight repetition, but I think it will help you because we covered this in a previous week. So, we talked about these principles we talked about their implications here.

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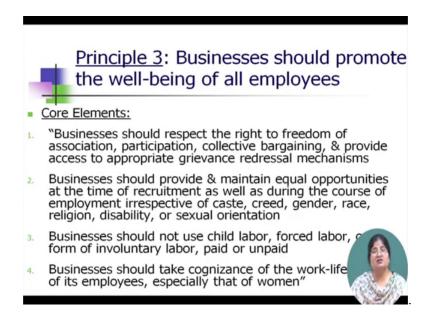
Principle one is businesses should conduct and govern themselves with ethics transparency.

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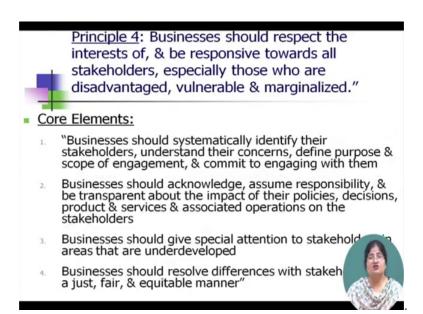


And accountability core elements were given to you principle 2 was businesses should provide goods and services that are safe and contribute to sustainability through their life cycle then principle 3 was businesses should promote the well being of all employees.

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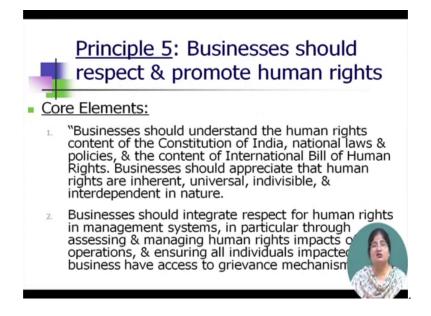


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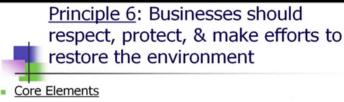
Principles 4 was businesses should respect the interest of and be responsive towards all stakeholders especially those who are disadvantaged vulnerable and marginalized.

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Principle 5 was businesses should respect and promote human rights principles 6 was businesses should respect protect.

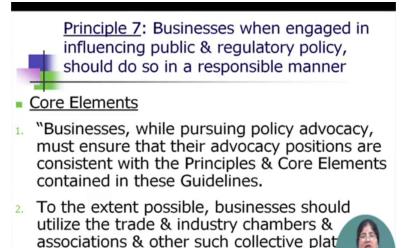
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- - "Businesses should utilize natural & manmade resources in an optimal & responsible manner & ensure the sustainability of resources by reducing, reusing, recycling, & managing waste.
 - Businesses should take measures to check & prevent pollution. They should assess the environmental damage & bear the cost of pollution abatement with due regard to public interest.
 - Businesses should ensure that benefits arising out of access & commercialization of biological & other natural resources & associated traditional knowledge are shared equitably.
 - Businesses should continuously seek to improve their environmental performance by adopting cleaner produmethods, promoting use of energy efficient & environmentally technologies & use of renewable energy.

And make efforts to restore the environment principles 7 was businesses when engaged in influencing public.

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And regulatory policy should do. So, in a responsible manner principle 8 was businesses should support inclusive growth.

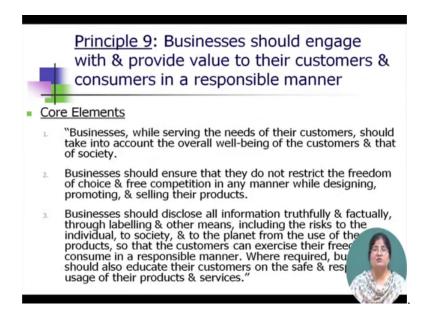
to undertake such policy advocacy.

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And equitable development principle 9 was businesses should engage with and provide value to their customers and consumers in a responsible manner.

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So, these were the principle that we have principles that we had talked about the NVG the national voluntary guidelines and I will just pull up what we were talking about here so, NVG guidelines the national voluntary guidelines issued by the ministry of corporate affairs government of India.

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- "Key business drivers
- Opportunities & threats, Strengths & weaknesses
- Articulate the responsible business policy"

Give us these steps for building a strategy for responsible business using these principles and the steps that are suggested are step one analyze your business.

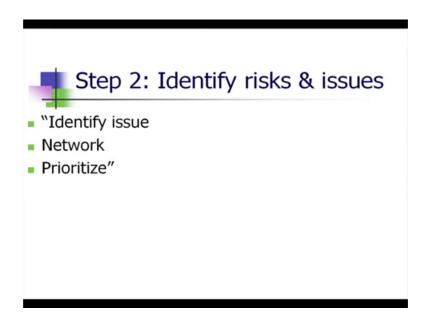
So, you know when we compare these models this is analyzing your business find out what the key business drivers are what drives your business in terms of economic social drivers political drivers, what are the drivers of your business, what is it that is propelling your business in the direction that it is going in the direction that you want it to go what are the strengths weaknesses and opportunities and threats conduct a swot analysis SWOT for those of you who are not familiar with. This find out what are the strengths of your organization where are the weaknesses identify the weaknesses and work on improving them find out what are the opportunity is currently available to you and what is threatening your organization what really happens is when we are working when we start on these ambitious plans what happens is that we forget what we have and we are looking for or we start talking about what we do not have if you just look around and if you analyze what you currently have you will be able to do.

So, much more and you will be. So, much more satisfied what do you have in your hand have you used it hundred percent a very very nice example though unrelated of something that is capable of a lot of things, but that we do not use to its full capacity is our laptop or even our phone this is technology we do not use it we say I need a calculator I need this I need that your computer can do so much. But you do not use it

fully we you know we use are spread sheets many times you know we have basic calculations, but we really do not use the full capacity of our computer that is one very underutilized piece of technology like that there are so many things in strategy planning in business planning. We do not look at the resources we checked with our people have we seen how much we have it is not only about money it is not only about time it is not only about energy what is the skill set what is the willingness maybe the people in your organization are willing to do a lot more than you are expecting them to do maybe you know they have the skills that you need.

So, that is what you need to identify these are the opportunities strength in opportunities what you have in front of you what kinds of announcements do you have what kinds of options do you have available to you what are the threat to your organization build your defences against the threat. So, when you are talking about step one is analyzing your business find out what the key business drivers are find out what the opportunities and threats strengths and weaknesses are then articulate the responsible business policy find out how you want your business to be seen as a responsible business.

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Step 2 identify risks and issues find out the issue that you want to go after network with people network with the people who can help you follow up with that issue prioritize generate alternatives and prioritize this is what I want to do first this is what I want to do next this is what I want to do after that and so on.

So, you prioritize what you want to do prioritize how you want to do things identify it the entire the generator list of alternatives find out what your risks are find out what are the issues within an outside the organization that you are dealing with and then find out how you can deal with them.

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Then step 3 develop a strategy this strategy can be operational sorry develop a strategy for p and develop an operational strategy develop an overall strategy for your organization then compliance do you want your strategy. Strategy to just be operational do you wanted to go long term do you wanted to align with the vision of your organization do you want to ensure only compliance or do you want to go beyond compliance states 2 and 3 in the format suggested by Professor Prakash say it that we talked about in the previous class we talked about these states that Professor Prakash say it had talked about.

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- Behavior of corporations is adjusted to their understanding of what they need to do for the society:
 - State One: Social obligation: Proscriptive (Prohibitive)
 - State Two: Social responsibility: Prescriptive (Solutions)
 - State Three: Social responsiveness: Anticipatory & preventive

So, is it only an obligation is it a responsibility is it social responsiveness which state are you in identify the state that you are in do you want to only comply with the legal requirements or do you want to go above and beyond the legal requirements and do something more you have to identify that and you have to develop a strategy in accordance with that.

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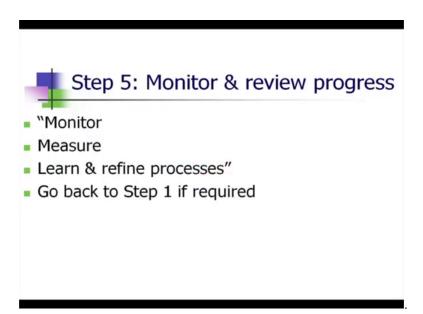
- "Roadmap
- Clear objective
- Training
- Low-hanging fruit
- Adoption of indicators for each principle"

Then step 4 plan and implement this strategy have a roadmap I am going to start at this point this is where I will go this is next this is next clear objectives what do you want to

achieve very be very clear. I want to help the society that is not a clear objective I want to help improve the educational standards of the children living around the factory not a very clear objective. I want to set up a school for the underprivileged kids within Headley area of Kharagpur very measurable very very definite very very clear cut objective. I will set up a school up to class 8 for the children below poverty coming from families below poverty line in Headley area living in Headley area of Kharagpur town very measurable objectives I want to help these children I want to help children of vulnerable groups living in Headley area of Kharagpur town very measurable not too high float very doable.

So, you know you restrict you drop your boundaries you have clear objectives then you train people focus on the screen please thank you. So, you train people at this stage I will do this at this stage I will do this you train your employees to do that and beware of the low hanging fruit it is very easy to see results where there are none low hanging fruit is something that is visible to you its low hanging you do not release you know you reach up and you grab the fruit. So, it is the early results early results can many times be misleading. So, be very very careful adoption of indicators for each principle.

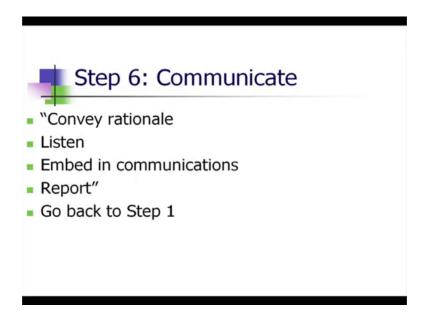
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So, each principle has been discussed with you the core elements of each principle have been discussed with you. So, you adopt the indicators of each of these principles then step 5 monitor and review your progress monitor what you started with where you have

gone measure each aspect of what you are doing. So, you measure the different aspects of whatever you started with measure the work that you have done then you learn and refine the processes and go back to step one if required go back to this and redefine this that is what happens in step 5 monitor keep an eye on how things are progressing measure these things and keep taking the feedback.

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And putting it back in and go back to step one if required if not then you communicate to the stakeholders convey the rationale tell people why rationale is significance, why are you doing, what you are doing listen to the community listen to the people who are implementing what you have asked them to implement listen to the people who are who are doing the work you have asked them to do listen to the people who are telling you about their problems, listen to the management listen embed it in communications then report generate a report let people know what you have done and then finally, go back to step one.

So, this cycle continues these are some of the ways in which you can you can create your CSR process the NVG guidelines are available on the internet the link has been provided to you in the slides. In the previous slides as well as in the these slides that have been given to you I will also put it up if you want in you know in a separate document if required just let me know on the forum if you would like me to do that very very helpful and if you want I can download these guidelines and put them up they are they are

available freely on the internet. So, you can you know with of course, I will have to see if I need permission to do that. So, just let me know on the forum how you would like to access these and this is this is what government of India wants us to do.

So, you know various models have been proposed you do not need to follow any of these models you can mix and match, but I just wanted to share with you what was out there. Now I would like you all to maybe if you want if some of you want me to go through your plans if some of you want me to check your plans I can do that not for all, but maybe some of you I can help you with that please feel free to send me an email at the official email address for this course. And we can stay in touch just show me what you come up with that is unique that is new that is a mixture of these plans that is very specific to your situation.

So, you will have to define your situation and then develop a step by step plan of implementation of CSR and that I will see that and that will be my true reward that will show me how much you have learnt. So, please discuss on the forum that is all we have time for in this lecture we will continue with some more discussion on CSR in the upcoming classes.

Thank you very much for listening.