

A COMPARATIVE STUDY ON CSR PRACTICES OF HPCL AND IOCL

Meenu Shant Priya¹ and Autade Ajay²

¹Research Scholar, SVNIT, Surat, India

Email: meenushant@gmail.com

²Student, Sinhgad Institute of Business Administration and Computer Application,

Lonavala, India

Email: ajay2009f@yahoo.com

ABSTRACT

Corporate social responsibility (CSR) is not new to India; companies like TATA and BIRLA have been imbedding the case for social good in their operation for decades long before CSR became a popular cause. In spite of having such life size successful example, CSR in India is in a very nascent stage. It is still one of the least understood initiatives in the Indian development sector. The purpose of this paper was to do a comparative study of CSR of Hindustan Petroleum Corporation limited (HPCL) and Indian Oil Corporation limited (IOCL).

Keywords: Corporate Social Responsibility (CSR), Indian Development Sector and Social Good

INTRODUCTION

During the long and distinguished history of the "company" or businesses / corporate in India and other parts of the world, business leaders have been trying to make a positive impact on the society, communities around them and the world, in some way or the other. The problem with CSR is that nobody is very clear about what exactly it encompasses. The Indian Government has been trying to make it mandatory for companies to spend at least 2% of net profits on CSR. Facing strong critics, it gave effort in mid July and made spending voluntary. Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the companies' business expertise. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc. There are some areas of human governance in contemporary world which have already attained mind boggling dimensions. Among these are: growing pressure of population, growing complexities of the man-nature equations and growing human greed and selfishness. It may be useful for every healthy and able corporate to explore what it can contribute to building knowledge, awareness and sensitivity of people of the global scenario around them. A part of one's resources needs to be spent in the spirit of blind investment.

LITERATURE REVIEW

A corporate enterprise has been recognized as a "person" in law. It should also be recognized as a person in society. A corporate takes birth and grows in response to needs and labours of various stakeholders- entrepreneurs, managers, workers, local community, larger society, buyers, suppliers and of course, the state. Healthy survival and development depend on adequate nurturing by all these stakeholders. The concept of social responsibility should therefore include the whole spectrum of stakeholders. The precise nature of CSR is understood in different ways, with differences in understanding or representation of the concept relatable to different paradigms and concerns. Although there are several contested notions of what CSR should be and how it should work, there is some agreement upon what it broadly entails. According to Chris MacDonald, PhD (2011), there's plenty of confusion about what CSR is. Indeed most of the definitions don't even read like definitions. They'll tell you what CSR (Corporate Social Responsibility) is "about," or what it "relates to," but they won't tell you what it is. As observed by Alexander Dahlsrud CSR (2006), the definitions show that CSR is nothing new at a conceptual level; business has always had social, environmental and economic impacts, been concerned with stakeholders, be they the government, customers, or owners, and dealt with regulations. This has been managed through established patterns developed over many years. However, at an operational level, the story is different. Due to globalization, the context in which business operates is changing at an increasingly rapid pace. New stakeholders and different national legislations are putting new expectations on business and altering how the social, environmental and economic impacts should be optimally balanced in decision making. Thus, in such a context, CSR management tools are needed, in addition to the previously established patterns, to develop and implement a successful business strategy.

CSR Approaches of HPCL & IOCL**HPCL**

HPCL's commitment to the development of weaker sections of society is over 2 decades old. Lately, it has upgraded its activities to cover a larger section of the society. HPCL draws its strength from its Vision and Mission statements, to support the downtrodden, needy and marginalized citizens and create social infrastructure for their sustenance. Two booklets: "Bringing Smiles - 2008-09" and "Bringing Smiles - 2009-10" cover various CSR activities undertaken during these years.

CSR Purpose

Drawing from the vision and mission statements, the CSR Purpose of HPCL is:

- Serving the community is the purpose of HPCL.
- Ensuring sustainable business process - financially, environmentally and socially, is HPCL effort.
- Using core competence, expertise and technology of our business to reach the common people, especially the underprivileged, is HPCL aim.
- Developing capacity in the community is HPCL strategy.
- Enhancing human excellence and improving quality of life is HPCL endeavour.

CSR Approach

HPCL has adopted the Triple Bottom Line (TBL) approach. The concept of TBL demands that a company's responsibility be to stakeholders rather than shareholders. "People, Planet and Profit" succinctly describe the triple bottom lines and the goal of sustainability.

"People" (human capital) pertains to fair and beneficial business practices toward labour and the community and region in which a corporation conducts its business.

"Planet" (natural capital) refers to sustainable environmental practices.

"Profit" is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up.

HPCL maintains high standards of safety, health and environmental care at all its operating locations, always ensuring that increasing scales of operation have no negative impact on the standards of safety, health and environment & without losing sight of its long term goal of zero occupational injuries, operational incidents and environmental releases. HPCL is committed to conducting business with a strong focus on preserving the environment, sustainable development, safe work place & enrichment of the quality of life of employees, customers and the community. Established systems & procedures are constantly revised for continual improvement.

CSR Projects

As a responsible Corporate Citizen, HPCL has taken up Education, Health Care, Child care, Livelihood and Community Development as the themes of CSR to make a difference to the underprivileged.

Under CSR, HPCL has undertaken projects under 5 different themes: They are:

Child Care

Child Rights – ("**Bal Haq**") – Holistic development of children by working on Child Rights to ensure a just, self- reliant, dignified society where children have an opportunity for their Growth and Development.

Care of Slum Children – ("**Muskan**") - Street children are most vulnerable and need to be protected from falling into bad company or from getting involved in antisocial or criminal activities. They also need a shelter, a caring hand and proper training to make a good career. This program aims at providing basic needs like food clothes, shelter, health care, education and vocational training.

Rescue of Children in distress- ("**Child Line**") - Provide quick and reliable mode of transport in the form of a Child line Rescue Van that will transport a child from a risk ridden situation to a safer space. Also create access to children in those places which are difficult to reach without a vehicle. The Child line Van will also serve as a tool for outreach programs.

Education

Computer awareness- ("**Unnati**") - To provide time bound computer awareness programs and personal computers to students in semi- urban and rural schools. The students are introduced to computer basics, including MS Office free of charge and duration of course is four to six months.

Girl Child – (Nanhi Kali) - This project is for the girl child to help her get educated and even discover her talents in other performing arts and other fields.

Children with special needs- (ADAPT) - This program will support education and therapy needs of the children with disabilities and make an attempt to bring them into the main stream schools and give them equal opportunities for education and growth. CWSN is being implemented through ADAPT (Abled Disabled All People Together) in Mumbai.

Mid-Day Meals for Govt. schools- (Akshaya Patra) - Providing nutritional mid-day meals to children going to government schools to prevent drop out, to increase the attendance and to tackle the malnutrition among them, thereby contributing to eradication of extreme Poverty & hunger, achieving Universal Education, promoting Gender equality and empowering women.

Health Care

Medical facilities at Rehabilitation centres- (Navjyot) – Improve the health index of children by providing them health care, which would in turn ensure that they do not drop out of school for health reasons.

Awareness on HIV among truckers – ("Suraksha") - Impart awareness about HIV amongst the truckers who are considered high risk population. A network of Khushi clinics have been opened for free diagnosis and treatment of STD and HIV.

Medical Care in Rural Areas – (Wockhardt) - Provide free rural health care services by operating Mobile Medical units (Vans) within 'Reach - In approach' of the underprivileged areas of the rural community.

Sushrut Hospital - Sushrut Hospital and Research Centre is a well equipped tertiary referral acute care hospital located at Chembur, Mumbai. This Hospital is first of its kind in the Country for handling Burns & extended Trauma care with State of the Art facilities.

Livelihood

Skill Development – ("Swavalamban") - One of the biggest problems faced by the country and its youth is unemployment. Most of the youth in rural areas lack the requisite skills for the available jobs. Thus, there is a need for them to be trained in different skills. This enables them to be self-employed, earn their livelihood, and at the same time, create job opportunities for others.

Employability for youth in Urban Slums – (**Smile**) - The project aims at preparing urban underprivileged (adolescent youths) with skills in English Proficiency, basic computer education and soft skills for enhancing their prospects of employment in fast expanding sector like hospitality, retail outlets and BPO sectors.

Community Development

Rain water harvesting – ("**Jal-tarang**") - Ensure water and food security and overcome drought in drought prone areas to achieve poverty reduction and sustainable development by rain water harvesting.

Solar lighting- Lighting a Billion Lives – (**LaBL**) - The LaBL program sets up solar charging stations in villages that offer certified, bright, solar lanterns for rental to the local people. The charging station consists of 50 solar lanterns and charging panels. A trained

local entrepreneur operates and manages the charging station and leases the solar lanterns every evening for very affordable fee.

Community Kitchen – ("**Rasoi Ghar**") - The concept is to make cleaner fuel accessible to rural women and give them better health, hygiene and safety, reduce deforestation and improve climate. Free LPG connections without security deposit are provided to BPL families under the Rajiv Gandhi Gramin LPG Vitran Yojana.

IOCL

At Indian Oil, corporate social responsibility (CSR) has been the cornerstone of success right from inception in the year 1964. The Corporation's objectives in this key performance area are enshrined in its Mission statement: "To help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience."

Indian Oil has defined a set of core values –

- Care
- Innovation
- Passion
- Trust

IOCL take pride in being able to claim all countrymen as their customers. That's why, they coined the phrase, "Indian Oil - India Inspired", in their corporate campaigns. Public corporations like Indian Oil are essentially organs of society deploying significant public resources. IOCL are aware of the need to work beyond financial considerations and put in that little extra to ensure that they are perceived not just as corporate behemoths that exist for profits, but as wholesome entities created for the good of the society and for improving the quality of life of the communities they serve.

CSR Projects

"CSR: A Cornerstone of our Enduring Success". IOCL take pride in being able to claim almost all countrymen as their customers. That's why, IOCL coined the phrase, "Indian Oil – India Inspired", in their corporate campaigns. IOCL, therefore, are aware of the need to work beyond financial considerations and put in that little extra to ensure that we are perceived not just as corporate behemoths that exist for profits, but as wholesome entities created for the good of the society and for improving the quality of life of the communities IOCL serve.

LPG Schemes:

- Provision of Common LPG Kitchen facilities in villages.
- Release of one-time grant to Below Poverty Line (BPL) families in the rural areas for release of new LPG connection under Rajiv Gandhi Gramin LPG Vitarak Yojana(RGGLV Yojana)

Indian Oil Foundation:

The Indian Oil Foundation (IOF), a non-profit Trust was created in 2000 to protect, preserve and promote the National Heritage, in collaboration with ASI and NCF of the Government of

India. In the first phase, the following sites have been identified for developing tourist friendly facilities in the monument complex:

- Konark Sun Temple, Odisha in Eastern Zone
- Vaishali, Bihar in Eastern Zone
- Kanheri Caves, Maharashtra in Western Zone
- Khajuraho, Madhya Pradesh in Central Zone
- Warangal Fort, Andhra Pradesh in Southern Zone

Community Development:

The Community Development Programme adopts a multi-disciplinary approach incorporating health, family welfare, education, drinking water and sanitation, empowerment of women and other marginalized groups in the vicinity of our major installations. While utilising the Community Development Funds, more emphasis is laid on the projects for providing Clean Drinking Water, Health & Medical Care and Education.

The activities undertaken under the above three thrust areas are as under:

- Providing Clean Drinking Water: Installation of hand pumps/bore well/tube wells/submersible pumps, construction of elevated water tanks, providing water tap connection, rainwater harvesting projects/kits, aqua guard water purifiers/water coolers to schools/community centre etc.
- Health & Medical Care: Organising Medical/Health Camps on Family Planning, Immunization, AIDS awareness, Pulse Polio, Eye, Blood Donation, Pre and Post-natal Care, Homeopathic Medicine etc., distribution of free condoms, providing anti-mosquito fogging treatment, toilets, medicines to primary health centres, mosquito nets, ambulances to Medical Centres/Hospitals/NGOs, hearing aids/wheel chairs to physically challenged, financial assistance to hospitals, medical equipments etc.
- Besides the above, Indian Oil also runs and maintains the following for the benefit of the local community:
- 50 Bed Swarna Jayanti Samudaik Hospital, Raunchi Bangar, Mathura: Indian Oil has set up a 50 bed Swarna Jayanti Samudaik Hospital, at village Raunchi Bangar, Mathura, Uttar Pradesh for providing medical assistance to the residents of the area. In addition, two mobile dispensaries have been set up by Mathura Refinery to provide primary medical care in the nearby villages of Mathura Refinery.
- 200 bed hospital set up by Assam Oil Division, IOCL at Digboi, Assam: Indian Oil has set up and runs a 200 bed hospital at Digboi with ultra-modern medical facilities for the benefit of the people of the area.
- Assam Oil School of Nursing, AOD, Digboi: Assam Oil School of Nursing, established in the year 1986, offers a three year diploma course in General Nursing and Midwifery, recognized by the Indian Nursing Council, where local girls are trained to be professional nurses.
- Indian Oil Rural Mobile HealthCare Scheme: Indian Oil has identified the lack of medical services, especially availability of qualified doctors, as one of the major

problems facing rural India. Most of the diseases prevalent in rural India can be treated through timely primary healthcare and basic awareness regarding prevention and treatment.

Expansion of Education

Providing financial assistance to schools for construction/renovation/repair of hostels, school buildings, classrooms etc., computers to schools, books, furniture, laboratory equipment, awards to meritorious students, scholarships to poor students, adult literacy programme, delivery vans for distribution of mid-day meals to Govt. School children, sponsoring/organizing rural sports/games, sports meets/events, supporting education and research activities etc.

Indian Oil Educational Scholarship Schemes:

Indian Oil awards 2600 scholarships to meritorious students pursuing full-time courses in 10+/ITI, Engineering/Medical and Business Administration to nurture and support talent among the deserving students belonging to families with less than rupees one Lakh as the gross joint annual income. Out of which 50% are reserved for SC/ST/OBC students, 25% of the Scholarship is earmarked for girl students and 10% for Physically Handicapped students. The whole Scheme for awarding Scholarships is meant for deserving extremely poor and downtrodden children.

- “Indian Oil Scholarships Scheme” for Graduate and Post-Graduate students:– Under the scheme total 600 scholarships (300 for Engineering, 200 for MBBS and 100 for MBA) are awarded every year @Rs.3000/- per month for all the four years for Engineering and Medical Courses and two years for Business Administration/Management courses.
- “Indian Oil Merit Scholarships Scheme” for 10+/ITI studies:– Under the scheme total 2000 scholarships are awarded to students pursuing 10+ courses/ITI every year @ Rs.1000/- per month for two years. 400 scholarships out of 2000 are allocated to deserving students from the North Eastern states, Andaman & Nicobar Islands along with Jammu & Kashmir.

Indian Oil Sports Scholarship Scheme:

Indian Oil awards Sports Scholarship to promising young sports persons representing State in team games and on National ranking in others. The Sports Scholarship Scheme awards 150 scholarships (number of scholarships increased from 72 to 150 during the year) to 10 games/sports(Cricket, Table Tennis, Badminton, Tennis, Chess, Hockey, Golf, Billiards/Snooker, Carrom and Athletics) to upcoming junior players in the age groups upto 19 years. The scholarship amount varies from Rs.9000/-p.m. to Rs.14000/- p.m. based on the performance of the scholar for 3 years in addition to kit items. The Corporation also provides assistance towards travel and lodging etc. for scholars in individual games.

Environment

As part of its environment-protection initiatives, Indian Oil has invested close to Rs. 7,000 Crore in state-of-the-art technologies at its refineries for production of green fuels meeting global standards. To further reduce dependence on precious petroleum products and secure the nation's energy security, the Corporation is now in the process of commercialising

various options in alternative fuels such as ethanol-blended petrol, biodiesel, and Hydrogen and Hydrogen-CNG.

Indian Oil is also committed to the Global Compact Programme of the United Nations and endeavours to abide by the 10 principles of the programme, some of which are already part of the Corporation's Vision and Mission statements. It is the firm resolve of Indian Oil People to move beyond business, touch every heart and fuel a billion dreams.

CONCLUSION

Corporate Social Responsibility means different things to different people. One end of the spectrum is compliance with laws and other is being philanthropic. Another way of looking at it is who benefits - The beneficiaries range from employees to suppliers to customers to the amorphous entity called 'Community'. CSR is as much about not polluting and being concerned about people being displaced when an industrial unit is set up beyond legal compliance as it is about supporting health or education programme. Today, CSR reiterates the notion that development is not the exclusive responsibility of the government. Business, too, has a legitimate and responsible role to play. With safety, health and environment protection high on its corporate agenda.

Dimensions	HPCL	IOCL
Education		
Adult	✓	✓
Male child	✓	✓
Female child	✓	×
Sports	×	✓
Computer Education	✓	✓
Community Development		
Clean Drinking water	×	✓
Water harvesting plan	✓	✓
Solar Lightning	✓	×
Community kitchen	✓	✓
Promotion of National Heritage	×	✓
Child Care		
Child Rights	✓	×
Care of Slum Children	✓	×
Rescue of Children distress	✓	×
Livelihood		
Employment for Rural youth	✓	✓
Employment for Urban youth	✓	✓
Health Care		
Urban area	✓	✓
Rural area	✓	✓
Environment	✓	✓

So, if we go through the table we get that both the companies are more or less contributing for the society. On the dimension of Education, HPCL and IOCL are going parallel level for CSR activity except in female child education IOCL are not taking initiative and in sport activities the HPCL are not taking initiative.

On dimension of Community development, HPCL and IOCL are going parallel only for water harvesting and community kitchen CSR activity and in other CSR activity like clean drinking water HPCL are not taking initiative, in solar lightning IOCL is not contributing and in promotion of national heritage only IOCL is taking initiative.

On dimension of Child Care, only IOCL is contributing.

On dimension of Livelihood, HPCL and IOCL both are contributing for this dimension of CSR.

On dimension of Health care, HPCL and IOCL both are taking initiative equally in both rural and urban area.

On dimension of Environment, HPCL and IOCL both of these companies are trying to preserve environment on their best possible way.

REFERENCES

1. Alexander Dahlsrud (2006) "How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions" Corporate Social Responsibility and Environmental Management Corp. Soc. Responsible. Environ. Mgmt/http:// www. mexindia.com /csr/newsarticle/pdf/csr_news45.pdf (October 18, 2012)
2. csrworld.net/csr-activities-of-indian-oil-corporation-limited.asp(assessed on 3rd January 2013)
3. Chris MacDonald, Ph.D., Two Problems of CSR- A blog about Business Ethics by <http://businessethicsblog.com/about/> Posted August8, 2011
4. www.iocl.com/Aboutus/corporatesocialresponsibility.aspx(assessed on 5th January 2013)
5. www.indiacsr.in/en/?tag=indian-oil-corporation-limited(assessed on 5th January 2013)
6. www.indiacsr.in/en/?tag=indian-oil-corporation-ltd(assessed on 4th January 2013)
7. www.hindustanpetroleum.com(assessed on 4th January 2013)
8. www.hindustanpetroleum.com/En/UI/CSRHomeLand.aspx (assessed on 5th January 2013)
9. [www.hindustanpetroleum.com/En/.../Corporate Social Responsibility](http://www.hindustanpetroleum.com/En/.../Corporate%20Social%20Responsibility) (assessed on 5th January 2013)
10. www.hindustanpetroleum.com/En/ui/CSR2007n2008Activities.aspx(assessed on 5th January 2013)
11. www.hindustanpetroleum.com/.../En/.../Bringing_Smiles_2010-11.pdf (assessed on 5th January 2013)
12. www.hindustanpetroleum.com/Upload/En/UPDF/hpcl_csr.pdf (assessed on 6th January 2013)