

Corporate Social Responsibility and Social Supremacy of Rane Industries in Tamil Nadu India

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ABSTRACT

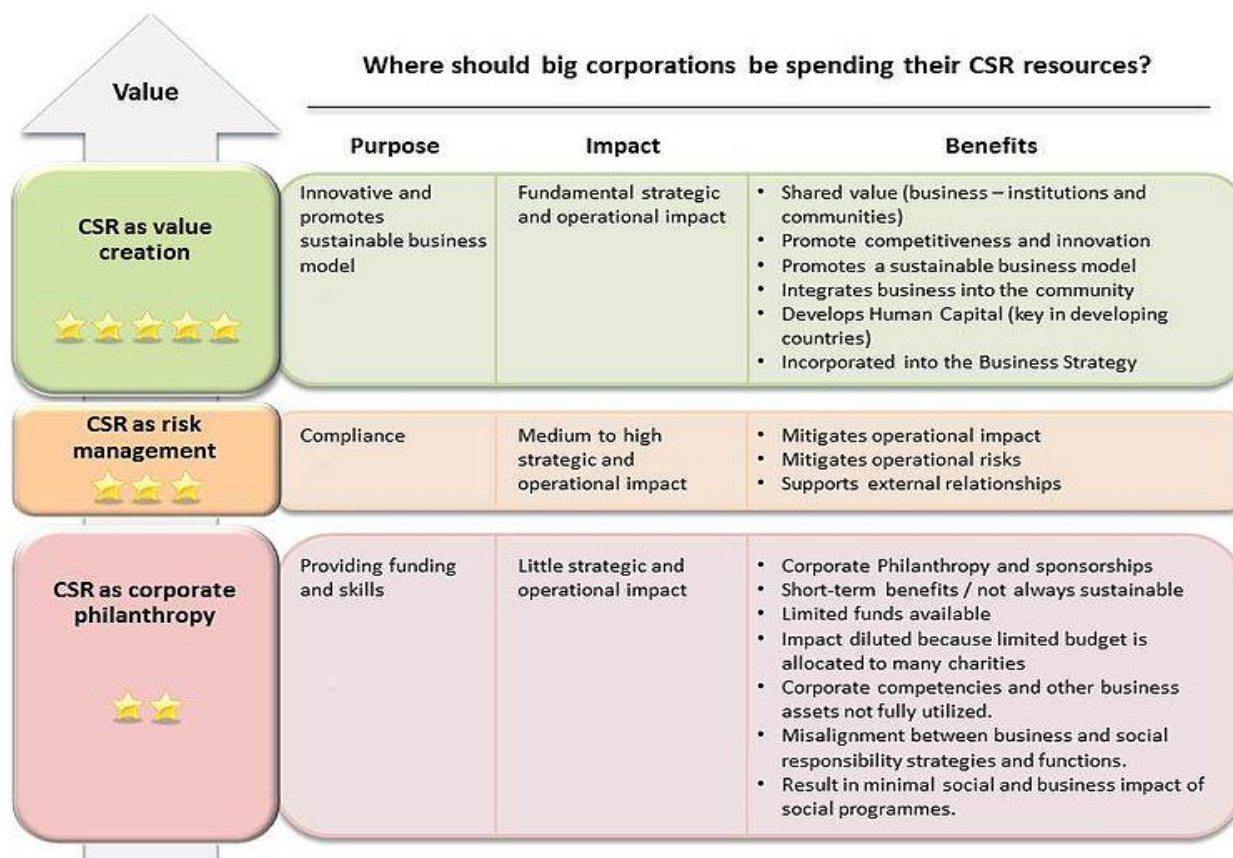
The aim of the research paper interest in interest in Corporate Social Responsibility and further to develop its potential to help the society at large, the scope of this research study is to explore the concepts of CSR, the expectations of students' and the perceptions of corporate social performances (CSP). The way it is understood and implemented differs greatly for each company and country. Moreover, CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Hence, the title of this study is confined to the Industry in Tamil Nadu India that extends from RANE Industries.

1. Introduction

"Earth provides enough to satisfy every man's need, but not every man's greed."
M.K. Gandhi.

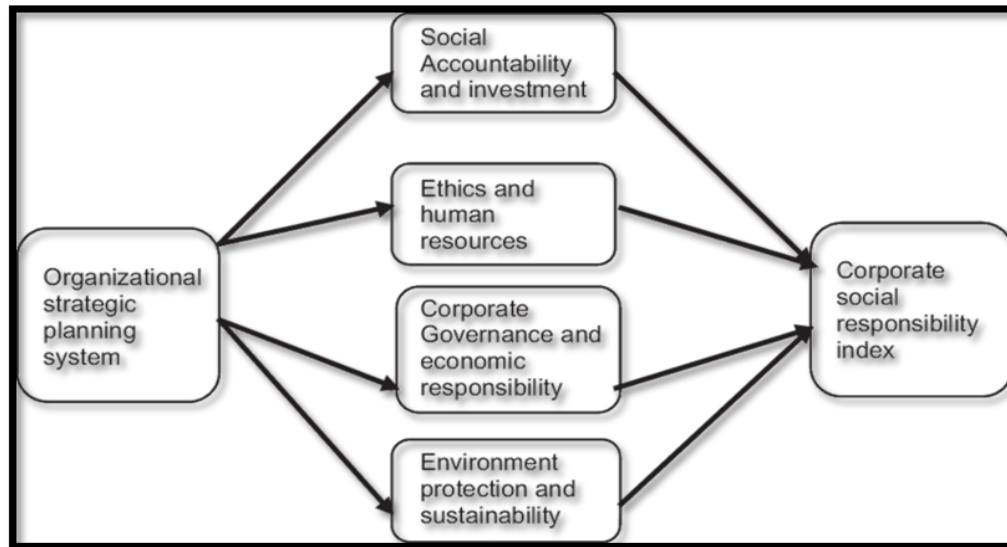
Corporate Social Responsibility (CSR), also called corporate conscience, corporate citizenship or responsible business is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business

monitors and ensures its active compliance with the spirit of the law, ethical standards, and national or international norms. With some models, a firm's implementation of CSR goes beyond compliance and statutory requirements, which engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law". The binary choice between 'complying' with the law and 'going beyond' the law must be qualified with some nuance.



In many areas such as environmental or labor regulations, employers can choose to comply with the law, to go beyond the law, but they can also choose to not comply with the law, such as when they deliberately ignore gender equality or the mandate to hire disabled workers. There must be recognized that many so-called 'hard' laws are also 'weak' laws, weak in

the sense that they are poorly enforced, with no or little control or no or few sanctions in case of non-compliance. 'Weak' law must not be confused with soft law. The aim is to increase long-term profits and shareholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions.



2. About RANE Polytechnic Technical Campus (RPTC)

Rane Group is an acknowledged leader in the Indian Auto Component Industry, having eight companies and twenty-four manufacturing locations. Rane Foundation, a Public Charitable Trust founded in the year 1967, is the main arm for Rane Group's Corporate Social Responsibility (CSR) initiatives. Rane Foundation's initiatives are focused on education, healthcare, environment, and community development.

One of the major initiatives of Rane Foundation is the establishment of Rane Polytechnic Technical Campus in Sethurapatti village, Tiruchirapalli in 2010-11. An eco-friendly building spread over a 7-acre campus with a built-up area of 7160 sq.mts is fully equipped with quality hard and soft infrastructure. At the time of start of RPTC, they had three courses with 180 students were enrolled and 22 teaching faculty approximately appointed for all the courses.

3. Review of Literature

In the previous chapter, the study was discussed elaborately. On the discussion made out of the review the related literature explaining its concepts and results in performing the CSR.

The narrow view of CSR, as proposed by **Devinney (2009, p. 44)**, states that "for those with a narrow concept of CSR, the corporation has little, if any, obligation to the society other than

the creation of economic rents that can accrue to the stakeholders with recognized rights to those rents". Such a view of CSR "is dominated by the need to make money for

shareholders, to grow, make profits and seek economic efficiency (Gray et al, 1996, p. 57).

Subsequently, a broad view of CSR had evolved and it entails organizations being responsible for broader social and environmental objectives (Gray et al, 1996; Welford, 2004). **Gray et al (1996)** related this broad view of CSR as a concept, linked to the theory of "sustainability, or, as it is often called sustainable development" (Gray et al, 1996, p. 61). Sustainable development is defined by the United Nations' World Commission on Environment and Development (1987, p. 8) as a system of development which "meets the needs of the present without compromising the ability of future generations to meet their own needs". The inclusion of social and environmental responsibilities into CSR is also supported by **Cramer, Jonker, and Heijden (2004)** and **Whitehouse (2006)**. **Cramer et al (2004, p. 216)** found in their study of 18 companies that CSR was perceived as a broad concept embracing a desire to extend environmental responsibility and to balance "people, planet and profit and taking more responsibility for societal issues"

Even Zadek (2004, p. 140) who recognizes a strong argument for the profit motive of a business organization, subsequently states, "To argue that corporations necessarily have the primary purpose of making money is a sociologically weak proposition that glosses over their complex structures and organizational dynamics". It is interesting to note that more than 50 years ago **Drucker (1964)**, in his book "Concept of the Corporation", had claimed that along the profit motive, corporations have obligations to society.

Carroll (1979) identifies four types of CSR obligations: economic, legal, ethical and philanthropic. However, the last of the four obligations was later dropped by Schwartz and Carroll,

as they argue, "philanthropy is not considered a duty or social responsibility of business, something that is merely desirable" (Schwartz & Carroll, 2003, p. 505). Notwithstanding Carroll's revision of philanthropy as being part of CSR, there are those who prefer his prior interpretation. Tsang, Welford, and Brown (2009) found it common for organizations to cite philanthropy-related activities, such as donations and community services, as being one of their key CSR efforts.

Schumacher (1973) revolutionized the idea of development and global economics. As an economist, he saw the link between society, environment, and economics and presented unconventional theories for achieving improved quality of life for people. Schumacher said, "The businessman, as a private individual, may still be interested in other aspects of life - perhaps even in goodness, truth, and beauty - but as a businessman, he concerns himself only with profits". He challenged the conventional idea that the only responsibility of the enterprise is to make profits. His views of idealistic businesses are part of what is called today as good business practice, corporate social responsibility, responsiveness, governance, business ethics, and many other interrelated concepts. It is the movement, which makes businesses more accountable and responsible for the quality of life of their stakeholders.

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4. Statement of the Problem:

The corporate social responsibility (CSR) is the social approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. CSR takes a major role in public service, especially in the educational sector. The RANE a corporate sector has chosen to study their engagement level in providing the technical education, the lifestyle and the future of the

students of RPTC. The Rane group of companies has a lot of resources and facilities that are extended to the industry as well as institutions for the benefits of employees and students. Though, how they are making use of the resources especially in rural areas for the technical education is the question mark and also how these are utilized by the present students for their economic, social, cultural as well as financial empowerment is proposed to be studied by the RANE Industry. Hence it is attempted to study the impact of the RPTC in the life of stakeholders like present students.

5. Objectives of the Study:

- To determine the impact of RANE Polytechnic Technical Campus (RPTC) in the life of the students
- To understand the effect of the socio-economic profile of the respondents on their economic empowerment by RPTC
- To study the challenges faced by students during their period of study at RPTC
- To offer suitable suggestions for further growth and development towards the general public.

6. Hypotheses of the Study:

1. There is no association between the socio-economic profile of the respondents and economic empowerment by RPTC
2. The socio-economic profile of the respondents does not influence the economic empowerment by RPTC
3. There is no association between the socio-economic profile of the respondents and challenges that they faced in RPTC

7. Research Methodology:

This study is purely based on the primary data which were collected through the structured questionnaire. The researchers have collected the data from 106 respondents through convenience sampling. The data instrument has got a reliability value of 0.783 (78.3 %) which is the adequate value for the analysis by applying Cronbach's alpha Test.

8. Limitations of the Study:

- The research area is confined to the RPTC, Trichy
- The study is wholly concerned with the respondents of RPTC only
- The study is a periodic study. The results are applicable to the study period only.

The results may vary according to the attitudes, perception, and opinion of Students.

9. Data Analysis and Interpretation

Table No: 1.1
Demographic profile of the respondents (Total: 106)

S. No	Demographic Factors				
1	Age (Yrs)	14-16	17-19	Above 20	
		9	94	3	
	%	9	89	2	
2	Gender	Male	Female		
		93	13		
	%	88	12		
3	Monthly Income (Rs.)	Less than 100000	100001 – 200000	200001 – 300000	300001 and above
		27	36	29	14
	%	25	34	28	13
4	Family Type	Nuclear	Joint		
		77	29		
	%	37	27		
5	No. of family members	Below 3	04-May	6 & above	
		14	68	24	
	%	13	64	23	
6	Branch of Study	Mechanical	Mechatronics	Civil	
		69	32	5	
	%	65	31	4	
7	Source of Income	Agriculture	Business	Employment	Others
		24	29	50	3
	%	23	27	47	3

The table reveals the age wise classification of the respondents. Out of the total 106 students studying presently are approached for the study, 9 respondents (9 per cent) are in the age group of 14 – 16 years; 94 respondents (89 per cent) are in the age group of 16 - 18 years; and 3 respondents (2 per cent) are in the age group of 18 years and above.

The table indicates the gender wise classification of the respondents. 93 respondents (88 percent) are male and 13 respondents (12 percent) are female in the study. Thus, it is concluded that the majority of the total respondents are male. Hence, it is said that the male students are the maximum on a roll of the Institute presently.

The table exhibits the classification of the respondents according to their courses of study. Out of the total 106 respondents, 69 respondents (65 per cent) are from Mechanical engineering; 32 respondents (31 per cent) are from Mechatronics engineering, and the rest of 05 respondents (4 per cent) are from civil engineering. The most of 69 respondents (65 per cent) are studying Mechanical engineering as per the study.

The table shows the classification of the respondents on the basis of their type of the family. Out of the total of 106 respondents, 29 respondents (27 per cent) are from the joint family system and the rest of 77 respondents (73 per cent) are

from the nuclear family. It is to conclude that, 77 respondents (73 per cent) of the total are from the nuclear family.

The above table indicates that the classification of the respondents on the basis of the total number of the members in their family. Among the total 106 respondents, 14 respondents (13 per cent) have below 3 members in their family; 68 respondents (64 per cent) have 4 – 5 members in their family; and the rest of 24 respondents (23 per cent) have 6 and above members in their family. It is found that 68 respondents (64 per cent) have 4 – 5 members in their family and the responsibility would also be presumed little high.

The above table explains the classification of the respondents on the basis of their source of income of the family. Out of the total of 106 respondents, Agriculture Income is the only source of 24 respondents (23 per cent); Business Income is the source of 29 respondents (27 per cent); Income from Employment is found as a source of 50 respondents (47 per cent); and the rest of 3 respondents (3 per cent) earn from other sources. It is to conclude that 50 respondents' (47 per cent) family income is sourced from the employment at various places.

Table No: 2

Mean Score of the Study Factors Forcing Problems and Challenges during the Study Period in RPTC

S. No	Factors forcing problems and challenges during the study period in RPTC	Mean
1	Finance	3.3018*
2	Location	2.8762*
3	Transport	2.6887*
4	Social Status	2.2925
5	Infrastructure	1.8491
6	Academic	2.0189
7	Teaching	1.7925
8	Faculty	1.9906
9	ICT Facility	2.0849
10	Library	1.8679
11	Laboratories	1.7573

12	Fee Structure	2.6792*
13	Canteen	2.7048*
14	Sanitation	2.0000
15	Finishing School Programme	1.9905

The above table shows the mean score of the study factors that are forcing the problems and challenges during the study period in RPTC. The response of the respondents is rated and the mean scores are calculated for the above factors and considered as the forcing factors. The factors such are highly rated and averaged above 2.6 are considered as most important and the RPTC Management has to take necessary steps to improve them in order to achieve the aims of the company in near future. Such forced factors are found as Finance, Location, Transport, Fee Structure, and Canteen. Among the most significant is the requirement for good canteen facilities.

Table No: 3

Unstandardized Coefficients of Regression Model – Factor “Problems Faced by the Respondents” and Comparative Opinion on the Facilities of RPTC

Predictors	Unstandardized Coefficients		Sig.
	B	Std. Error	
Constant	0.926	0.310	0.005
1. Finance	0.001	0.049	0.978
2. Location	0.029	0.043	0.042*
3. Transport	0.028	0.053	0.013*
4. Social Status	0.076	0.051	0.017*
5. Infrastructure	0.004	0.055	0.935
6. Academic	0.014	0.074	0.050*
7. Teaching	0.023	0.082	0.077
8. Faculty	0.082	0.076	0.297
9. ICT Facility	0.098	0.071	0.017*
10. Library	0.019	0.061	0.754
11. Laboratories	0.085	0.076	0.271
12. Fee Structure	0.109	0.052	0.041*
13. Canteen	0.067	0.047	0.162
14. Sanitation	0.008	0.064	0.904
15. Finishing School Programme	0.078	0.057	0.173
16. Placement	0.023	0.074	0.037*
R = 0.683 R² = 0.466			

* = significance at 5% level

* (If the sig. of p is less than 0.05, and it indicates that the concerned factor is significant in the model)

Hypothesis (H₀): There is no significant effect of study Factor “Problems faced by the respondents” and Comparative opinion on the facilities of RPTC.

The above table shows that the predictor variables viz., Location, Transport, Social Status, Academics, ICT facility, Fee structure, and Placement ($p < 0.05$) are statistically significant determinants towards the problems faced by the respondents in the RPTC. The table also shows that the rest of the variables viz., Finance, Infrastructure, Teaching, Faculty, Library, Laboratories, Canteen, Sanitation and Finishing School

Programmes are not significant ($p > 0.05$), since the p value is greater than 0.05. The table also depicted the R and R² values of the model. The R value represents the simple correlation and is 0.693, which indicated a high degree of correlation between the individual factors and the problems faced by the respondents at RPTC. The R² value indicated that 46.6 % (0.466) of the variance independent variable “problems faced

by the respondents at RPTC" is explained by the independent variables.

From the above table, it can be inferred that there are significant effects of individual factors viz., Location, Transport, Social Status, Academics, ICT facility, Fee structure, and Placement towards the problems faced by the respondents in the RPTC. Rest of the variables viz., Finance, Infrastructure, Teaching, Faculty, Library, Laboratories, Canteen, Sanitation, and Finishing School Programmes are not having significant effects towards the problems faced by the respondents in the RPTC.

10. Summary of Findings & Recommendations

Findings

- The table reveals the age wise classification of the respondents. Out of the total 106 students studying presently are approached for the study, 9 respondents (9 per cent) are in the age group of 14 – 16 years; 94 respondents (89 per cent) are in the age group of 16 - 18 years; and 3 respondents (2 per cent) are in the age group of 18 years and above.
- The table indicates the gender wise classification of the respondents. 93 respondents (88 per cent) are male and 13 respondents (12 per cent) are female in the study. Thus, it is concluded that the majority of the total respondents are male. Hence, it is said that the male students are the maximum on a roll of the Institute presently.
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Agriculture Income is the only source of 24 respondents (23 per cent); Business Income is the source of 29 respondents (27 per cent); Income from Employment is found as a source of 50 respondents (47 per cent); and the rest of 3 respondents (3 per cent) earn from other sources. It is to conclude that 50 respondents' (47 per cent) family income is sourced from the employment at various places.

Recommendations

The following are the recommendations for the enhancement as well as the improvement of the institution and the stakeholders for the benefit of both the management and the beneficiaries. These are purely based on the study findings carried out with the utmost care from the stage of data collection to the analysis completed. This has been presented in several dimensions drawn and implied from the perspectives of the stakeholders.

- The financial challenges of the stakeholders are to be taken care of by the RPTC in the way of providing the scholarship for the performers and proficient students and also the arrangement of bank loans.
- The location cannot be changed, but the additional campus facilities could be arranged by the RPTC at the heart of the towns as permitted by the governance.
- The transport is the challenge that may either be improved using the own vehicles by and large or the additional hiring are required to be improvised for the favor of the commuters.
- Though the academic staff is much, the methodology of teaching and imparting knowledge shall be in force in the better way.
- The fees structure could be revised for the benefit of the stakeholders and the management may take necessary steps to increase the enrolment providing the concession in the fees structure for the academic proficiencies of the students considering the higher secondary marks.
- The canteen facilities are required to be improved using own arrangements or even better outsourcing to satisfy the students without compromising the quality and quantity of the food items.
- The sanitation facilities are to be provided in a good condition to sustain the hygiene and also employ skilled people for it.
- The number of recruiters is to be brought in a large size suiting the skills available to increase the employability.
- The extension of the football ground and extensive transport facilities that are required for the purpose of the benefit of the students required.
- The canteen facility is likely to be improved with homely food and traditional beverages.
- The road facility is extensively provided by the company for the smooth flow of transport with the support of local authorities.

11. Conclusion

The aim of CSR is to increase the long-term profits and stakeholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. In this regard, what the steps that are taken by RANE Industries Ltd in the social transformation of life of the stakeholders particularly regard to the academics for the benefit of the young generation and also the extensive provision of employment based on skills are found better.

Though the steps are to be reclaimed pertaining to the provision and increase of amenities and the reclamation of fees charged for the skill-based studies. From the study, it is concluded that the leading corporate like RANE Industries Ltd is to concentrate better on the provision of amenities like a canteen, reduction in the fee structure, increment in the placement opportunities in and out of RANE Industries Ltd, and the extensive library facilities as well as the additional courses for other opportunities. This will have definitely an impact on the students in the years to come and also empower the lifestyle in a modern way.

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