

**BENEFICIARY PERCEPTION AND CHALLENGES IN
COMMUNICATION OF CORPORATE SOCIAL RESPONSIBILITY
SERVICES BY PUBLIC SECTOR MAHARATNA IN ASSAM: AN
EVALUATION**

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ABSTRACT

The study explores a good number of relevant issues. The study looks into the priority areas of the corporations in the context of Assam and the level of transparency in serving the priority sectors. The study tries to measure the achievements of the CSR projects undertaken by three Maharatna Public Sector Undertakings in India in the context of beneficiaries of Assam and especially the places where the plants are situated. The study also explores if any popular model of CSR is used and if there has been any effort in coming up with any new model for CSR by through innovation and adoption of new practice. The study also brings out the rise in popularity of website and how well websites should be managed in terms of number of increasing navigators and the satisfaction level of navigators. The study also reveals how far the PSUs are capable in accepting the new challenges thrown by the scope of digital communication. Communication Strategies applied in dissemination of CSR related activities is increasingly becoming an interesting area of research in the field of communication.

Keywords: PSU, Maharatna, Disclosure, Sustainability, Corporate strategy

The Challenges: James L. Horton, writes in “PR and Social Media” that “Newspapers are withering. Network television has watched audiences decline. Radio is splintered. Magazines are shrinking. Meanwhile, there are millions of bloggers and Facebook users, Twitterers and texters and Linked-in businesspeople. As reporters disappear from traditional media, PR practitioners are forced to consider and to use social media”. (Horton, 2009)

Focussing on the challenges that public relations practitioners face while using social media, Horton writes, “Social media present challenges, not the least because they break down traditional categories of audiences – employees, customers, and shareholders. The public and

universal nature of social media means all audiences can read communications intended for any one audience. One can no longer compartmentalize audiences and messages. Matrices of targets and themes have become a blob with undefined connections and gaps”.

According to Dr Pooja Deshmukh (2017) CSR in education so far in India has mostly involved steps to promote education among local communities or society at large by building schools, providing scholarships to meritorious students, supplying books, teaching aids, uniforms etc., creating awareness, helping or training teachers, setting up of engineering colleges, schools, etc. She argues that there have been three models that have been adopted by different corporate houses time and again to carry out CSR activities in the field of education whereby the corporate has chosen to be a programme owner or a fund provider or an implementation partner:

1. Corporate have conceptualized the initiative as well implemented it on their own if not with partner entity like NGO
2. Corporate have provided financial or material support to development initiatives in education run by NGO's, Govt Institutions or other corporate
3. Corporate have helped in designing and implementing development initiatives of third party initiatives of third party entities such as govt., other corporate and multilateral organizations

Again, A Sabeena and Dr N A Krishnamoorthi (2016) argued that several private organizations are joining hands with the government to make that ultimate dream of offering quality education in India come true. As an important part of it, the role of corporate with their CSR in India is crucial in improving the educational conditions in India. They have argued (ibid) that a globalized economy and the privatization of higher education institutions have transformed the nature of academia. Adopting a business-like approach which emphasizes a strategic CSR framework is key to survival in this increasingly competitive arena

In a thesis submitted to the Auckland University of Technology, New Zealand, titled, “The use of Internet in public relations and its impact on the practice: A New Zealand perspective” Deepti Bhargava focuses on the beginning of the use of the internet as a tool of public relations and observed: “Studies examining the extent of the Internet’s usage in public relations date back to the late 1990s when an independent Los Angeles based public relations agency called ‘The Bohle Company’ published a report that included results of a survey of 334 American practitioners. The results stated that 95% of the respondents used e-mail extensively (The Bohle Company, 1998) suggesting that e-mail had already become commonplace in the practice”. (Bhargava, 2010)

“It takes less and less time for one to publish on social media. With a service like Twitter or

internet messaging, it is a matter of seconds – the time it takes to type or speak. Social media can be – and often are – live”. (Horton, 2009)

Public Sector: Wikipedia, the online contributory encyclopaedia defines ‘Public Sector’ as “...a part of the state that deals with the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal”. (Wikipedia, 2011)

India as a country still stands on the tenets of social principles and despite the supposed liberalization of the economy, the public sector still holds a very significant position. It is responsible for extending most of the basic services entitled to the citizens of any country such as law and order, defence, food, health, transport, water, education, power supply etc. Even though many sectors like transport, education, health and power have been privatized marginally, an overwhelming portion of the population especially in the non-urban centres still depend on the government for these facilities.

PSUs serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Therefore, Corporate Social Responsibility activities are core to their existence and survival. The government of India made it mandatory for companies to undertake CSR activities under the Companies Act, 2013.

Although the Government believes in making PSEs growth oriented and technically dynamic, its policy is to give greater powers to the boards so that PSEs could function professionally. While the focus is on generating surpluses for self-sustaining growth, the PSEs generally undertake certain amount of non-commercial responsibilities, in furtherance of their commercial objectives.

The Govt of India has mentioned in their website that all PSEs cannot be treated on an equal footing for undertaking various types of social activities. It is for the individual PSE to identify and implement social responsibilities keeping in view its financial ability to sustain such activities, operating environment and provisions in its MOA/Statute.

Classifications of Public Sector Undertakings:

Public Sector Undertakings (PSUs) can be classified as Public Sector Enterprises (PSEs), Central Public Sector Enterprises (CPSEs) and Public Sector Banks (PSBs).

The Central Public Sector Enterprises (CPSEs) are also classified into 'strategic' and 'non-strategic'. Areas of strategic CPSEs are:

- Arms & Ammunition and the allied items of defence equipment, defence air-crafts and warships
- Atomic Energy (except in the areas related to the operation of nuclear power and applications of radiation and radio-isotopes to agriculture, medicine and non-strategic industries)
- Railways transport.

All other CPSEs are considered as non-strategic.

The major consideration for the setting up of PSUs was to accelerate the growth of core sectors of the economy; to serve the equipment needs of strategically important sectors, and to generate employment and income. A large number of "sick units" were taken over from the private sector. Additionally, Indira Gandhi's government nationalised fourteen of India's largest private banks in 1969, and an additional six in 1980. This government-led industrial policy, with corresponding restrictions on private enterprise, was the dominant pattern of Indian economic development until the 1991 Indian economic crisis. After the crisis, the government began dis-investing its ownership of several PSUs to raise capital and privatise companies facing poor financial performance and low efficiency.

Maharatna/Navaratna/Miniratna Companies:

The status of Maharatna, Navratna, Miniratna to CPSEs is conferred by the Department of Public Enterprises to various Public Sector Undertakings. These prestigious titles provide them greater autonomy to compete in the global market.

Maharatna:

A company qualifying for the Maharatna status should have an average annual turnover of Rs 20,000 crore during the last three years against Rs 25,000 crore prescribed earlier. The average annual net worth of the company should be Rs 10,000 crore.

The Maharatna status empowers mega CPSEs to expand their operations and emerge as global giants. The coveted status empowers the boards of firms to take investment decisions up to Rs 5,000 crore as against the present Rs 1,000 crore limit without seeking government approval. The Maharatna firms would now be free to decide on investments up to 15% of their net worth in a project, limited to an absolute ceiling of Rs 5,000 crore.

Navaratna:

The Central Public Sector Enterprises (CPSEs) fulfilling the following criteria are eligible to be considered for grant of Navratna status:

- Having Schedule 'A' and Miniratna Category-1 status.
- Having at least three 'Excellent' or 'Very Good' Memorandum of Understanding (MoU) ratings during the last five years.

The Navratna status empowers PSEs to invest up to Rs. 1000 crore or 15% of their net worth on a single project without seeking government approval. In a year, these companies can spend up to 30% of their net worth not exceeding Rs. 1000 cr. They also enjoy the freedom to enter joint ventures, form alliances and float subsidiaries abroad.

Miniratna:

For Miniratna category I status, the CPSE should have made profit in the last three years continuously, the pre-tax profit should have been Rs. 30 crores or more in at least one of the three years and should have a positive net worth. For category II, the CPSE should have made profit for the last three years continuously and should have a positive net worth.

CSR as Corporate Practice- Corporate social responsibility is the way a corporation integrates business with the society and the environment. Business environments are changing world over. In the changing environment, it has become increasingly important for the companies to acknowledge their role as social entities and behave prudently as good corporate citizens. CSR acknowledges the debt that the corporation owes to the community within which it operates. CSR in reality is the alignment of business operations with social values.

CSR is important for organizations for varied purposes. CSR is not just paying back the debt that organizations have for the society. In the recent years CSR is seen as a strategic tool for gaining competitive advantage in the highly competitive market place. A positive CSR practice enhances a firm's reputation in the market and also helps in strengthening ties with its various stakeholders.

India has a vibrant public sector that has been responsible for bringing in socio-economic development for the country. Many of the public sector companies have become global brands in the recent past and have been acclaimed as some of the world's most reputed companies.

The public sector organizations, since their inception have been engaged in undertaking various community building activities and for the welfare of the society. The Govt of India, through the Company Act 2013 made it mandatory for companies having a net worth of INR 500 crore or

more, or turnover of INR 1000 crore or more, or a net profit of INR 5 crore or more during any financial year to spend at least 2 percent of the average net profits the company made during the three immediately preceding financial years.

Hence no longer CSR is seen as mere philanthropic exercise, but rather a mandatory component of good corporate governance. Therefore, considering the importance and significance of CSR, this paper aims at studying the CSR practices carried out by Public Sector Undertakings of India, especially the Maharatna CPSE's and how these companies are doing the CSR reports through their corporate websites.

Study Objective: This paper aims at studying the CSR activities of India's first three public sector undertakings and their CSR role in the context of Assam. The reports of CSR activities of these three companies have been collected as given in their in their corporate websites over the last six years. In broader sense, the aim of the paper is to analyse how the CPSE's of India are trying to help their various stakeholders in Assam and how transparent they are in their corporate websites as well as to compare with ground realities in terms of the satisfaction level of the beneficiaries. It also tries to explore especially the nature of disclosure, the areas of CSR and the CSR models that they follow in Assam.

For this purpose the following specific objectives have been framed:

RO. 1. To find out the specific focus areas identified by PSUs for undertaking CSR activities,

RO. 2. To understand the ease of accessibility of website information by the stakeholders, **RO.3.** To measure the level of implementation at the ground level

RO. 4. To understand the models of CSR as applied in the context of services provided in Assam

Since the nature of study is exploratory as there is virtually no literature available in context of Assam specifically to correlate the level of disclosure and the measure of implementation, the researcher has framed research questions instead of formulating hypothesis.

RQ 1. What areas are considered as important buy PSUs for rendering CSR service in Assam?

RQ 2. How easy is it for the beneficiaries to track relevant data on the websites of the PSUs under consideration?

RQ 3. How far stakeholders find the services offered by CSR efforts satisfactory? **RQ 4.** How far these CSR projects have succeeded to fill in the developmental gaps? **RQ 5.** What models of CSR are prevalent in the context of CSR activities in Assam?

Area of Study: Essentially the entire state of Assam constitutes the area of study but three districts, namely Tinsukia, Sivasagar and Bongaigaon have been identified specifically for the purpose of the study. Though these three districts have been chosen conveniently, the respondents primarily living in these districts have been chosen randomly.

Method:

The paper applies a near triangulation method by combining both survey and qualitative content analysis of website data as presented by the corporate houses on respective websites. Assam's population according to 2011 census stands 3 crore 12 lakh people roughly. For the survey, a sample size of 377 respondents at the confidence level of 95% and with 5% margin of error. The response distribution stands at 50%. The sampling technique adopted for the study is random stratified sampling. The respondents in the age group of 18-50, with computer literacy and regular use habit and without any reference to economic status have been chosen mostly from Tinsukia, Sivasagar and Bongaigaon districts of Assam as most of the CSR activities are restricted to these three districts. The education level of respondents have not been taken into account as computer literacy and having access to internet for useful information has been considered as a measurement of SEI. The units of NTPC, IOCL and ONGC are also located in these three districts. Since the respondents have been chosen on the basis internet access, it to a certain extent has applied convenient sampling technique also. Content analysis has been defined by Berelson (1952) as the most systematic and replicable method of analysis. The content on the website has been analysed to measure the level of disclosure, focus areas and to find out what specific models of CSR are applied by these PSUs.

Delimitations of the Study: The study is limited to the state of Assam. The study can lead to a good number of research issues. The study raises questions on the priority determination mechanism of the corporations and the level of transparency in determining the priority sectors. There can be further research on the sustainability and long term effect of CSR activities. The study can lead to research on the actual resource creation potential of CSR activities. There can be a study on the effectiveness of the CSR projects. There is no finality on the subject since it is an emerging area of research in the context of Mass Communication discipline in India as most of the academic research in CSR has been undertaken in India so far by Management, and Social work people. Communication Strategies applied in dissemination of CSR related activities can be an appropriate area of research for the communication students in the days ahead.

Findings: The major focus areas of the three PSUs are essentially education, health and sporadic efforts in forest conservation or environment in Assam. IOCL runs a 200 bed hospital in Digboi and has so far treated nearly 20000 non-employee patients according to the website reports. It

also conducts free health camps for both human and livestock population and was launched in 2012 as a pilot project. Now it has been converted into full-fledged programme in Digboi named Sarve Santu Niramaya. As an educational effort, it also runs a nursing college in Digboi which also doubles up as a vocational training centre for providing jobs for under privileged girls. IOCL also runs a multi-skill development centre in Digboi started in 2014. This project provides vocational training to 400 beneficiaries every year. IOCL has also opened an industrial training centre (ITC) under the aegis of NCVY and offers a three year vocational training course to 68 people every year. Indian oil also runs a programme called *Muskaan* for children born with cleft lips and so far has helped nearly thousands of children across 26 districts of Assam as claimed in the website. Indian Oil Corporation also runs soft skill training programme known as *Shishak Dakshata Vikas Abhiyaan* launched in 2012 for government school teachers in collaboration with government of Assam.

ONGC has a project called *Utkarsh* for training 400 households every year in soft skill to develop employment opportunities among women in particular since 2012. It also runs *Hathkargha* project for tribal women handloom artisans and trains around 100 artisans every year since 2012. As an extension activity for environment, ONGC runs Eastern Swamp Deer conservation project in Kajiranga since 2012.

NTPC has opened a disability rehabilitation centre in Bongaigaon in collaboration with NIOH and claims to have helped more than 40000 people in the last few years. It has also opened an ICT centre in Gauhati University for empowering visually handicapped students with hands on experience in computer.

The major responses of the stakeholders:

Table 1: Are you aware of the different welfare activities of NTPC, Assam Oil and ONGC in your state?

Yes	No	Can't say
197	149	31
52.25	39.52	8.22

The data reveals that majority of the respondents are aware of different services provided by these public sector undertakings in the state, especially in the three districts of Sivasagar, Tinsukia and Bongaigaon of the state of Assam.

Table 2: Have you ever visited the hospitals or health centres provided by ONGC or Assam Oil?

Yes	No	Can't say
231	110	36
61.27	29.17	9.54

Table 2 explains that majority of the people have visited the health facilities provided by the public sector undertakings under their CSR scheme. It is undoubtedly an achievement in terms of bridging the gap between the people and the Governmental welfare activities.

Table 3: Have you ever been trained in any vocational centres run by these PSUs?

Yes	No	Can't say
135	228	14
35.80	60.47	3.71

It was an expected result as revealed by Table -3 since mostly the people living below poverty line are helped by these vocational centres and majority of the respondents do not belong to that category.

Table 4: Do you know any person who has been trained by these vocational training centres?

Yes	No	Can't say
236	110	31
62.59	29.17	8.22

It appears from Table 4 that a good number of people are trained by these vocational centres as claimed by the disclosure reports on the websites of the PSUs under discussion.

Table 5: Do you know any person who has been helped by NTPC DRC in Bangaigaon?

Yes	No	Can't say
136	190	51
36.07	50.39	13.52

Table 5 also reveals the success story of the CSR efforts undertaken by NTPC in Bangaigaon to rehabilitate the people with disability.

Table 6: Have you ever checked the websites of these companies?

Yes	No	Can't say
157	189	21
41.64	50.13	5.57

Howsoever corporate houses decide to publicise their CSR activities through the website, it is natural in the Northeast to be accessed by less number of people than expected as revealed by Table 6 there is a problem of digital accessibility though it is the lowest in Assam in entire Northeast. Another issue could be the cumbersome presentation on website and difficulty faced by ordinary people in tracking relevant data.

Table 7: Which website among IOCL (Assam Oil), NTPC and ONGC is easiest to use?

IOCL	ONGC	NTPC
Easiest to access all data	Easiest to access all data	Easiest to access all data
22	86	49
14.01	54.77	31.21

Table 7 represents the response of only those people who have accessed the website of the three PSUs engaged in CSR activities mostly in Assam. The responses reveal that IOCL website is most difficult to access for relevant data though IOCL or as known in Assam Oil is the most significant contributor to CSR activities in Assam.

Table 8: Do you find claims made by the companies are a reflection of reality in terms of expenditure?

Yes	No	Can't say
99	39	19
63.05	24.84	12.10

The trend of responses in table -8 shows that majority of respondents are of the view that claims made by companies in their CSR reports are close to their experiences which indicates the reliability of website data.

Table 9: Are you satisfied with the level of information provided on the websites?

Yes	No	Can't say
93	43	21
59.23	27.38	13.37

Table-9 reveals that a vast majority of the respondents are satisfied with the level of disclosure made on the website.

So far as models of CSR are concerned, CSR practitioners in India normally employ four different models of CSR. These are mainly the Ethical model proposed by Mahatma Gandhi, the Statist model of Jawaharlal Nehru, the Liberal model by Milton Friedman, and finally the Stakeholder model as proposed by R. Edward Freeman (2010). Most of the companies under discussion seem to have followed the Stakeholder model in the context of Assam especially ONGC and IOCL as these companies are also responsible for displacement of huge number for their plants and it was imperative for them to convert the displaced into stakeholder by distribution of benefits.

Last Words: The focus areas in CSR are mandated to be in areas of Education, Health and Environment in non-urban areas. The public sector undertakings working in Assam like NTPC, Assam Oil or ONGC have all focussed in these areas only with minor variation. ONGC has helped conservation practice while NTPC has tried to help visually impaired students in Gauhati University which is an urban landscape. In any case, there is no doubt that popularity and trend of using website for data access instead of flipping through the page hard copy of annual report is on the rise and it is again an environmentally sustainable practice. In terms of website management, NTPC has a very well managed and easy to navigate website. The CSR reports are

also given in detail. CSR report and Sustainability reports are treated as different by NTPC. ONGC also presents each aspect of their CSR activities on the websites including budget allocation and spend in each area. ONGC has allowed a link on the website which can lead to their sustainability reports. IOCL or Assam Oil has a very clumsy webpage which can dispel the enthusiasm of any visitor and the website has to be tracked diligently for the purpose of finding relevant data. But on the whole as the trend suggests that increasing use of digital platform are going to be the main tool for PR Practitioners as has already been evidenced by the use of social media like Facebook and Twitter. Twitter being the most important two way communication Grunig (2006) is now virtually replacing TV Channels in fastest dissemination of relevant news and Facebook has virtually replaced the role newspaper and magazines played in public relation professional's life in recent past. Therefore three public sector behemoths have to change their way of communication and have to change very fast.

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