



## Business chips in for the cause of society

**Are we seeing the awakening of a responsible corporate citizen or is this form of philanthropy an enlightened self-interest?**

By K Jayshankar



Over the last few years, business has woken up to doing its part for society — beyond the obsession with the bottomline. Some have created Corporate Social Responsibility (CSR) departments, others have aligned with non-governmental organisations and a few have created foundations to become vehicles for community initiatives.

Few would agree that business operates on the Benthamite principle of the greatest good for the greatest number of people. This notion sounds extremely idealistic when one looks at the way business has operated in recent times. The case of the crooked E (Enron), the incredible accounting wizardry at Satyam and the machinations of the investment banking fraternity do not set great examples and it becomes difficult to have any faith in business at all.

While the bad eggs are often held up as stereotypes of the industry, the good news is that there are truly more companies, which understand that enduring business is built on firmer ground, with a bedrock created with values of integrity, fiscal purity and good governance.

In fact, it can even be argued that there are firms whose foundational principles mirror the Gandhian concept of trusteeship. Mahatma Gandhi explained his concept in his unique way by calling to attention the social purpose of business. While acknowledging that all organisations have to necessarily create surplus to perpetuate themselves, it seems also to indicate that a non-violent transformation in the socio-economic sphere is feasible by proper application of the means of production and subsequent distribution in society. Arguably, one of the earliest practitioners of this principle are the Tatas, with JRD Tata epitomising it fully.

While profits are one allocation arising from the surplus, other allocations from the surplus include ploughing back the money through investments in R&D and generating greater returns through new initiatives. For the socially conscious organisations, it does not end here. They are also asking the question, 'What more can we do for society?'

A variety of options are available, ranging from social issues (championing the right of the girl child), medical issues (eye donation, organ transplant) to educational issues (setting up schools or funding primary education) and many other forms. This is besides the most 'popular' one now: the Green platform. Yes, everyone is turning Green — from auto firms to chemical and paper companies and even a 'Green' credit card — with climate change and environment becoming part of the global agenda.

What is also noteworthy is that some firms have found a healthy marriage of convenience: go rural, harness the underemployed female population on a social plank, but also empower them and through them create a market by widening the consumption base for their product. Hindustan Unilever's project Shakti is a classic example of this 'Doing well by doing good.'

Should one grudge this form of win-win philanthropy and view it as enlightened 'self interest'? Or, will our cynicism get the better of us and label such moves as creative marketing, packaged in the garb of corporate social responsibility? One of the most innovative initiatives seen in India in recent times was the Jaago Re campaign of Tata Tea. It not only sent a powerful socio-political message to slumbering citizens, but also positioned itself differently in an old product market.

CSR is no longer a peripheral activity. Noting that CSR is a vital element of the actionable business agenda, a study reported that 'about 72% of India's top 50 companies undertake CSR initiatives supported by well-defined policies.' In view of the growing importance of this area, the Confederation of Indian Industries (CII) announced setting up of the CII-TVS Centre of Excellence for responsive corporate citizenship.

So, are we seeing the awakening of a responsible corporate citizen? While this may take different forms globally, there is a distinct move away from cheque book charity to nuts-and-bolts participatory philanthropy. While a vast number of us cannot set up our own personal charitable foundations (a la Gates and Azim Premji), we can certainly participate more whole-heartedly in the chosen initiative of our company with our best offerings - time, knowledge and skills, which will be welcomed by the underprivileged.

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