



# SAMVAD

*Igniting Thoughts of Tomorrow*

**WeChat**



**Mr. Sachetan Gharat**  
**Associate General Manager, CSR**  
**Lodha Group**

**Featured Article**

**CSR - Building a Sustainability  
Mindset**

# CSR

Don't miss out !!  
Building a road map for  
responsible and  
sustainable business

**April, 2015**

**we school**  
S.P. MANDAL'S  
Welingkar Education



## OUR VISION

**“To nurture thought leaders and practitioners through inventive education”**

## CORE VALUES

**Breakthrough Thinking and Breakthrough Execution**

**Result Oriented, Process Driven Work Ethic**

**We Link and Care**

**Passion**

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*“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler*

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind's eye needs to be nurtured and differently so.

WeSchool has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

Dear Readers,

It gives me great pride to introduce Samvad issues every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone. I sincerely hope that Samvad will reach new heights with the unmatched enthusiasm and talent of the entire Samvad Team.



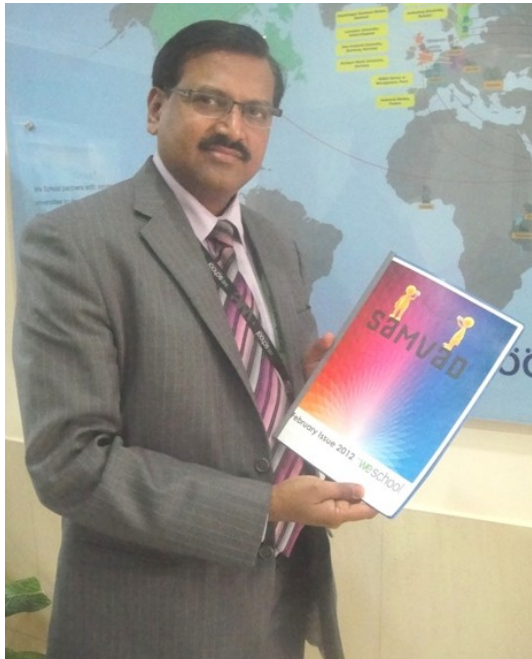
**Prof. Dr. Uday Salunkhe,  
Group Director**

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

**Prof. Dr. Uday Salunkhe,**  
Group Director



**Prof. Dr. Uday Salunkhe introducing the first issue of Samvad**

## OUR VISION

**“To facilitate exchange of ideas that inspire innovative thought culture”**

## MISSION

**To Dialogue**

**To Deliberate**

**To Develop**

**To Differentiate**

As the student magazine of WeSchool, Samvad is greatly inspired by the words of Alvin Toffler backed by a strong vision of facilitating exchange of ideas that inspire innovative thought culture. Samvad is a platform for the next generation leaders to bring forth their perspective on management to the world and gives the readers an opportunity to learn, unlearn and relearn on a continuous basis.

The team of Samvad is driven by a set of strong WeSchool values which enable us to create a dialogue leading to knowledge gaining and sharing, to deliberate on the information, to develop a sense of creativity and differentiate our minds with innovative thoughts of tomorrow; today.

“We make a living by what we get, but we make a life by what we give.”

- Winston Churchill

Dear Readers,

Welcome to the April Issue of Samvad!

Corporate Social Responsibility has never been on the global agenda as it is now. No organization is an island in today's world and companies have come to realise the impact of interconnectedness of business and society. With this deep understanding, organisations today are striving not only to create a social impact but also to identify and address social problems and aspirations, thus making Corporate Social Responsibility (CSR) a part of their core area of activities. Before CSR found a place in the corporate lexicon through legislation, it was already textured into many Indian organisations' value system, be it the TATAs, Godrej or the Birla Group, who, for long have adopted socially responsible behaviour. This idea of creating shared value has helped these companies build trust and understanding in their business.

Globally too, companies are moving towards becoming conscious corporate citizens with emphasis on a holistic and sustainable development plan, not just for themselves but also for the society in which they operate. Demonstrating a lead in corporate sustainability has become increasingly important to both businesses and their customers in recent years, as has receiving plaudits for their efforts. Wipro and Mahindra and Mahindra making it to the elusive Dow Jones Sustainability Index is a matter of pride for the company as well as for the country.

With this issue we have tried to cover the various facets of this growing area of social relevance for organisations and give an overview of the several financial, operational and people aspects of this important business function. CSR is not just a commitment to give back to the society in kind but also a positive change in the mindset within the organisation as well. In this issue, Mr. Sachetan Gharat, who leads the CSR initiatives of the Lodha Group, gives us an industry perspective on this subject and shares with us, his own insights and experiences of working in this field. The issue also has articles with examples of companies who have done commendable work in developing social capital through initiatives in the areas of healthcare, education, skill development etc.

I hope you enjoy reading this issue just as much as we did developing it. Do remember to write back with your valuable feedback and suggestions. Stay with us for our upcoming issue on the Manufacturing Sector.

Until then...

Read Better to Know Better!!!

Best Wishes,

Anuja Kadam

Editor

*Team Samvad would like to extend its heartfelt thanks to certain key members of the WeSchool family for their special efforts towards the making of this magazine.*

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by both **Prof. Amarkant Jain** and **Prof. Deepa Dixit**. Their insight and expertise is our driving force to ensure the sustainability of our magazine.

We appreciate **Prof. Indu Mehta** for her help in selecting the best Marketing articles. She is a part of our core Marketing faculty at WeSchool.

The Finance articles were scrutinized by **Prof. Sapna Mallya** and we thank her for choosing the most relevant and informative articles.

We appreciate the efforts of **Prof. Jyoti Kulkarni** for selecting the most interesting articles in General Management domain.

The Human Resources articles were scrutinized by **Prof. Rimmi Joneja**. We thank her for choosing the best articles.

We would like to thank **Ms. Yashodhara Katkar**, General Manager - Liaison, WeSchool and her PR team for helping us to reach out to our readers. Also, we thank **Ms. Prachi Shah** and her team for helping us out in the PR activities of Samvad

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.





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## An Interview with Mr. Sachetan Gharat

*By: Team Samvad*

(Associate General Manager, CSR - Lodha Group)

**1. Sir, could you please take us through your professional journey right from the beginning of your career?**

I did my Masters in Social Work from Nirmala Niketan College of Social Work and I am still in the same field. I am mainly into CSR initiatives and programs for the Lodha group. After my MSW, I started working in an organization in Delhi which dealt with 73rd and 74th constitutional amendment which talks about participation of citizens in rural as well as urban entities. Apart from that we also worked on Occupational Health Hazards faced by waste collection workers. I was handling their urban governance initiatives and coordinating their operations in Maharashtra.

After this initial phase I worked with Praja Foundation which also works on governance issues where we created tools for changes in cities. We created a citizens charter wherein if a drainage complaint should take a day to address, we created different departments and brought the online management system into use. As of today the complete system has been handed over to BMC and is used by them. That's when I decide to acquire management skills and thus joined Welingkar Institute for its part time course in HR in 2003-06. During this time, RTI came into existence and we created a simplified format for citizens to access what all developments have taken place in their constituencies so that they can have better interface with their local representative.



In 2007 I joined LODHA group as a senior executive and currently m working as an Associate General Manager, Corporate Relations Department.

**2. Which are the major CSR initiatives and objectives of the LODHA Group?**

Current we work in four major sectors—education, health, and women's empowerment and employability program wherein we train people in various skills so that they can sustain their own livelihood. We have a team of almost 100 people who work on field as we work in Thane and Dombivali. We reach out to about 15000 people through different programs of Lodha foundation. We have 4 medical vans which organize two camps everyday which take about 30 patients daily. We also have mobile libraries which go to different locations wherein you can borrow books on a weekly basis. As an individual I was able to strategize and implement these programs which have been running for nearly 5-6 years now. I was also involved in the design and fabrication of the van which was a great learning experience for me.

### 3. How important is CSR for a company and how does it help an organization?

It's a two sided coin. One is that there is a mandate which ensures that CSR is carried out. The global norms as well look into three major areas or three P's namely Profits, People and Planet. One, as an organization you need to look into your Profits. Second, the welfare of your People or community and third of your Planet i.e. environmental concern. Organizations are often motivated by the tax exemptions offered by doing these activities or some want to create a brand for themselves. Like when people think about Lodha, they associate it with good work and that remains in their minds while buying flats. A small initiative by Lodha was to teach the senior citizens the use of I Pads, webcam etc which they could use conveniently to explore at their leisure.

Many companies talk about creating a shared value, as in they would like to invest more in education or empowering the youth so that their income grows and in the long run they will purchase the products offered. Or for examples, if a company trains persons in masonry work and employees them then it creates a common shared value. Of course there are organizations that do much more than mandatory like the Tatas who have been doing this for many years in a different league all together. It gives a sense of belonging to the employees and is thus a good strategy to keep our internal stakeholders involved in various employee engagement initiatives. Our employees sometimes act as mentors or give guidance in various skills and thus help our CSR initiative, at the same time feel involved in giving back to society.

### 4. Do you see the compulsory 2% mandate for CSR as necessary and beneficial? Do you see this percentage growing in the future?

Yes as of now, a majority of the companies are still looking for loopholes to avoid the CSR expenses. At the annual financial planning meet many organizations still find it difficult to match the required amount needed to be spent. To conduct one vocational training it cost about Rs. 10,000 for a month including the fees of the trainer, equipment and rent. So if you aren't doing serious CSR activities you'll find it very difficult to allocate your budget in an efficient manner. The norms have become even stricter now as they have allocated specific areas within which only you are allowed to spend. Hence a specific person is required to plan and implement the CSR activities. Nevertheless, 2% target is still very difficult to spend as it is about 15 times the amount spent by an NGO.

### 5. We have the income tax slab at 10%, 20% etc. depending upon the income group. Similarly, do you think it's a good idea to have a similar model for CSR?

As of today, there are companies that do much more than 2% and the trend is definitely growing. In the next five years people will understand how this positively helps their business and then more people will take this seriously. Today, the role of the government is shrinking away drastically, they try to limit their role to policy making and development programmes. But if companies do not take over from them, the kind of reach that the government needs for sustainable growth will not be achieved in the long run.

## 6. Sir, could you elaborate more on the CSR initiatives of the Lodha Group?

Initially we worked with the owners vision of providing help to certain individuals or groups of minority section which was not a long term goal as you realize that you are making them dependent on you. We started off with 40 different groups that helped senior citizens, widows, rural citizens etc. With the new generation of Lodha coming in, gradually we developed a vision which was more strategic.

We now work in four major areas as mentioned before. We provide scholarships up to school level; we have mobile libraries which gives us visibility throughout Mumbai. We have allocated funds to each activity and have 20% contingency funds in case of calamities etc. We try to train women in actual small entrepreneurial activities like preparing tiffin as a service etc.

## 7. What will be the major costs and benefits which Lodha gains by undertaking CSR activities?

Firstly, it caters to the mandate by the government. Secondly it gives a major brand building opportunity to us and thirdly the management wishes to participate in certain social activities. This really helps the mindset of employees and they feel like staying in a company known for doing good CSR activities. They feel good when other people talk highly of the organization that you work for.

## 8. What were the learning that you carried forward to your work from your MBA at WeSchool?

I still remember a lot of fundas that I learnt at WeSchool. Somewhere at the back of your mind you do apply them subconsciously though not directly. You'll never do a SWOT analysis of a person but you'll always use the management tools you learnt back then. You come a long way from mugging up the lines for your presentation to imbibing them as much as you can to your character. All the slogging does repay and becomes a part of your personal and professional life. As an individual I never bunked my classes and had a lot of fun making the presentations and completing our assignments late into the night as a class.

## 9. Did MBA in HR contribute to your CSR career?

In many organizations HR does CSR. At Lodha the marketing team initially looked after CSR. Thereafter the Corporate relations team took over CSR and now we are a full fledged CSR Department.

## 10. What is the future of CSR?

It is surely booming. At least for another 10 years unless some major change in law comes, there might be no requirement of the compulsory condition as organizations begin to see the benefits of CSR. By then it will become a part and parcel of their day to day business activities as opposed to the current status of not a

compulsory function. Secondly there is a dearth of knowledge when it comes to investing money in CSR efficiently is not there yet so once that happens the change will come.

**11. Is there a major difference between the Indian CSR methods and that of international ones?**

The approach in India is more community based while that of the west is essentially “need based” such as drug addicts, scholarships etc. Their domain is completely different. Here we work on strategies with top level managements whereas over there they work more on individual case basis like counseling the families of drug addicts etc. Their basic needs are taken care of by the government itself which is a major difference from India..

**12. Lastly, what advice would you give to students who wish to join CSR as a career?**

Practically you have to be empathetic towards your work. You have to be emotionally involved in certain causes, receive calls late into the night without thinking it's my weekend or something. Understanding the need of whom you are serving is extremely important followed by all your management skills which are extremely important in India. It is a completely management based program in the corporate sector. So being emotionally connected with the needs will be your biggest asset.

—O—

## CSR - Building a Sustainability Mindset

*By: Aayush Gandhi, PGDM (2014-16), XIMB, Bhubaneswar*

Corporate Social Responsibility (CSR) is defined as the commitment by organizations to balance their financial performance with contributions to the quality of life of their employees, and the society as a whole. CSR as a concept has existed for a long time but is gaining importance and has caught up as a new trend in organizations in the form of a business tool and social effort. A big change has been that in the past, only the top level and senior management were involved in these activities whereas nowadays these are being taken by all the employees at an individual level. Companies are facing a lot of pressure from numerous stakeholders like government, law-makers and socially responsible citizens to behave as corporate citizens. Also, as companies get everything from the society - be it resources, employees as well as its customers - so they feel it is their duty to give back to the society.

CSR activities include cause branding to business strategy, addressing human rights and issues concerning employees and environment protection drives. It is a mechanism which helps ensure active compliance to law and international norms particularly, given the strong pace at which globalization continues to take place. This helps in portraying a positive image of the company as a socially-conscious organization in the eyes of its customers, thereby increasing its brand value and it can also be used as a tool to engage employees.

The sustainability strategies of an organization can influence the morale of the employees, ensuring employees remain loyal to the organization. Sustainability programmes are beneficial to both the society in general as well as to the organization's net earnings. The main drivers of investment in sustainability are contribution to the society and environmental considerations.

Volunteering to reach out to the community at large can engage all levels of an organization's employees and recognizing employee participation in such programs is one of the ways through which companies involve workers in sustainability. The Human Resources department are enablers of sustainable practices throughout the organization and they create sustainable HR systems and processes. Organizations look at sustainability as a key differentiator for competitive advantage which involves the union of economic development and social equity to ensure long-term development of the community.

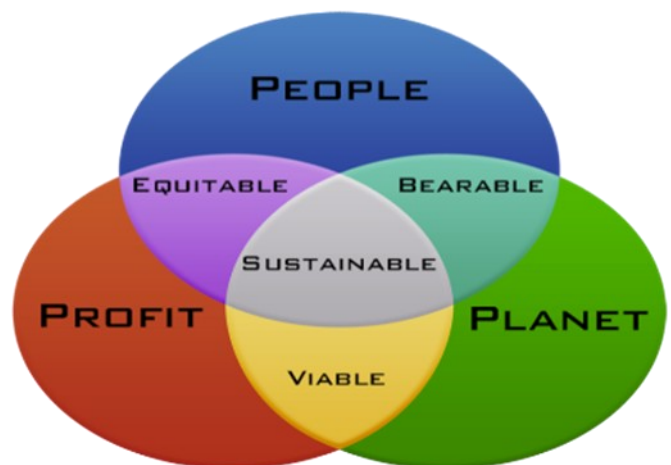


Image Source: <http://www.worldwatch.org/people-planet-profit-rise-triple-bottom-line-businesses-o>

Sustainable organizations understand that the pillars of the bottom line approach - profit, planet and people - are linked and they manage conflicting interests of various stakeholders by ensuring a positive impact on environment, society and local communities they operate in to earn profits and maximize shareholder value.

An HR professional plays a key role in driving sustainable practices and it begins with the creation of sustainable vision and mission and objectives. An organization would be unable to implement sustainable business practices if it

does not align them with its values. Next, they must look to ensure that the employee code of conduct expresses the organization's socially and environmentally-based decision making. They must also build an aligned leadership pipeline as it is leadership which is responsible for creating the strategy and defining sustainable goals. Leaders serve as role models and are important in setting the direction of the organization. Thirdly, appropriate structures and mechanisms to monitor and control them must be created. These mechanisms with proper coordination helps to establish clear accountability standards and ensure resources are allocated towards the program.

An organization must identify its targets, measure progress continuously and ensure the program is on track, which is not possible without established mechanisms that help supervise the progress. The HR professional must himself have the required knowledge about how sustainability impacts business and how to drive change. While planning a recruitment drive, a CSR-oriented organization must evaluate the need for skill sets and competencies, which is important given the emerging sustainable economy of limited resources and changing norms of the society. The exercise must be in line with the company's CSR vision to ensure talent is developed with appropriate focus. Even during orientation, employees must be given a thorough overview of the company's vision and the CSR values and goals.

Also, the HR role is to ensure that there is alignment of the company's CSR values and strategies with the entire reward and recognition program, including intrinsic rewards. It should be recognized as job responsibility as well as at the annual performance objectives of individuals and team. The HR role is to create an organization which can adapt to changes in the external environment and they must play the role of change agents for the same, as it is very important for an organization to continuously learn and manage change as sustainability involves a change in mindset. A mechanism for continuous learning and change must be created in the organizations

The employees must be involved in the development of new programs and approaches - this would increase the chances of them being actively involved in its implementation. Proper communication of the CSR objectives and message must be ensured towards the employees through the use of various social media tools. Lastly, the HR professional must ensure that both the sustainability program and employee sustainability engagement must be measured. This can be done through a questionnaire seeking responses, which would enable them to know the employees' level of understanding and perception towards the initiative.

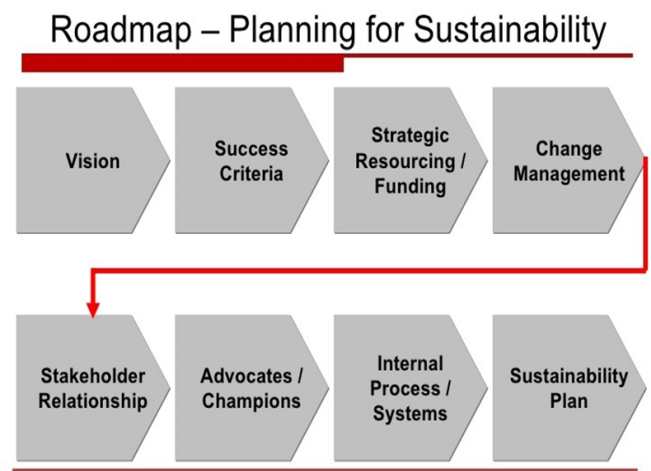


Image Source:  
<http://www.slideshare.net/anandsubramaniam/sustainability-management>

Organizations today are realizing the bottom-line benefits of incorporating a sustainability strategy. A properly-implemented CSR strategy can bring along a variety of advantages like enhanced access to markets, high profits as a result of increase in sales, better quality, an efficient human resource base, improved brand image and reputation, and increase in customer loyalty. The HR and executives of different departments can be translators of the organization's CSR commitment vertically and horizontally across departments and for this, they would require the commitment and support of senior management. There would be a significant transformation in the future such that CSR would no longer exist as a separate entity, but would rather be a part of just being a member in a rich value-based organization.

—O—

## Triple bottom line - Building a roadmap for responsible and sustainable business

By: Chitrangada Roy, PGDM (2014-16), NMIMS, Hyderabad

*“Champions of sustainable development like to use a triple bottom line approach based on the tripod of Ecology, Equity and Economy...”*

– William McDonough

In the centuries earlier, a business was perceived to be efficient if it was successful in earning profits for its owners, thereby serving their pecuniary interests well. Out of the class of merchants and later on- with the advent of Industrial Revolution- of industrialists, only a few chose to be bothered about the well-being of their employees, their prime concern being directed towards customer satisfaction and large returns on investments only.

However, as liberal politics, dissolution of several monarchies and women-empowerment movements shook the world in the late 19th and early 20th centuries, businesses began realizing the meaning of value addition for all stakeholders in a business- whether they be the shareholders, the employees, the suppliers or the customers and so, eventually dawned upon the firms the need for sustainability in business, the need for supporting the present generation in such a manner that leaves the future generations self sufficient too. Thus, as the world grew older, so did its natural resources with several of them getting depleted precariously due to their relentless exploitation by mankind, often leading to natural calamities. Such occurrences catapulted companies into deciphering the quintessential connections among maintaining financial stability, environmental quality and promoting social well-being.

The triple bottom line- A brief description :

The framework involving the threesome factors- financial, social and environmental risks, obligations and opportunities forms the ‘triple bottom line’ (TBL).

This framework, also referred to as the 3P (people, planet and profits) concept was given by John Elkington in the mid 1990s, the purpose being to construct an accounting framework to measure performance of corporate America. This framework, now used worldwide, is unique because besides considering the traditional methods of performance, i.e. profits, return on investment and shareholder value, this also takes into account the social and environmental impacts of running a corporate.

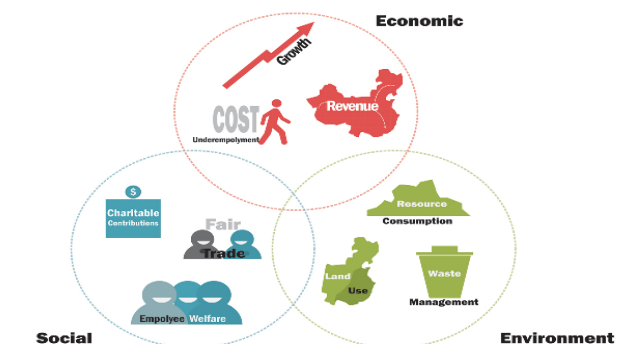


Image Source : [en.wikipedia.org](http://en.wikipedia.org)

There are a number of factors that usually go into the measurement of each of the three components of TBL albeit the non-existence of any strict methods for TBL calculation. Some examples of variables that could be considered for TBL calculation are as follows:

### Economic measures

- Personal income
- Cost of underemployment
- Establishment sizes
- Job growth
- Employment distribution sector
- Percentage of firms in each sector
- Sector-wise-revenue contributing to gross state product

### Environmental measures

- Concentration of sulphur dioxide
- Concentration of nitrogen oxides
- Selective priority pollutants
- Electricity consumption
- Fossil fuel consumption
- Hazardous waste management

### Social measures

- Unemployment rate
- Female labor force involvement rate
- Relative poverty
- Violent crimes per capita
- Literacy rate
- Health adjusted life expectancy

Data for the above variables may be collected at local, regional or global levels.

### Taking up TBL for sustainable growth - prominent fortune 500 examples

#### Microsoft:

Microsoft, being one of the stellar fortune 500 companies has been following the TBL reporting framework since 2004. It uses stock price, revenues and net income figures, and employee benefits as variables for economic performance; responsible building design and facility operation that emphasize green designs and minimal energy wastage as well as recycling and

conservation as variables for environmental performance; actions within the community and technological innovation that concentrate on social welfare as measurement components for social performance.

Microsoft puts into implementation such activities as recycling and conservation and community work-

- Through the usage of 'Compostable'- cutlery made out of potatoes and corn- that can be thrown onto compost heaps with other biodegradable material, thereby helping reduce the cafeteria waste by 50%.
- By using paper with 35% post-consumer content and copy machines that print double sided by default.
- By allowing a facility called 'Board Service Program' for employees that encourages them to take on leadership roles in non-profit organizations in order to provide high value business and technology consulting to their communities.

#### Nike Inc.:

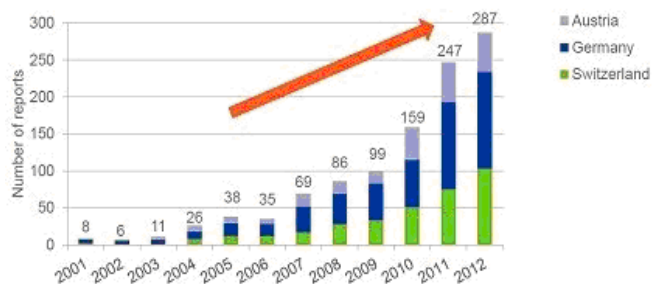


Image Source : en.wikipedia.org

Nike in the past was quite often under scanner for reported exploitation of workers in the contract factories or the 'sweatshops' for manufacturing sport apparel in ways that did not comply with Nike's extensive web and paper reporting. Since getting such a shocking wake-up call, Nike has been regularly emphasizing on sustainability reporting taking help of the GRI (Global Reporting Index)- that forms a vital basis for TBL framework- and Fair Labor Association.

### Social license obtainment

- By providing committed resources for issues like climate change, toxic material usage and waste reduction
- Using reports printed on recyclable paper .

## TBL in India

In October 2011, the International Federation of Accounts (IFAC) recommended to the G-20 countries to consider developing a globally acceptable integrating reporting framework that would go beyond considering bottom line and take into account the TBL concept. This framework, that would require both financial and non-financial information for measuring business performance, was advised for reporting due to concern about global warming and climate change.

Social license to operate implies an informal acceptance of the organizational operations by its stakeholders and the community in which it operates. Transparency in communicating economic, social and environmental performance to stakeholders and community is deemed imperative for obtaining the 'license to operate'.

## Employee- satisfaction

Having an obligation to show social performance in the annual report enables companies to take care of employees' needs, drawing loyalty from them and entitling companies to become 'employers of choice'.

## Innovation

Emphasizing on quality-environment leads to R&D opportunities and innovative products and services

### Conclusion :

TBL-framework use is rising gradually among firms. Lucrative-share market opportunities or a better world- TBL pertains to all. As organizations compete to keep up to the expectations of their various stakeholders, TBL framework should surely open up a new way for judging sustainable performance.



Image Source : [www.shutterstock.com](http://www.shutterstock.com)

Some Indian companies that have started using the TBL framework include:

- Yes Bank
- HUL

## Why TBL?

Although TBL involves taking a number of risks, whether financial, social or environmental, it has its own payoffs:

## Corporate reputation

TBL helps to enhance the reputation of firms in the eyes of the stakeholders. Effective communication on the triple P front earns loyalty from all stakeholders.

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## CSR - The key concerns in Operations Management

By: Moumita Dutta, PGDM (2014-16), T. A. Pai Management Institute, Manipal

Operations Management is the key focus area of any organization. It starts right from the procurement of raw materials to the delivery of final products /services to the customers. Decisions taken in operations management affect not only the economical and technological aspects of the organization but also the social issues which it has to deal with. Organizations have to think of the bigger picture where they can make a sustainable impact on the society. The operations of a company directly affect the environment. The technology used has a direct impact on the Environment Burden (EB). The EB needs to be reduced to achieve sustainability.

The operational failures have often caused environmental disasters. Some of the examples can be Vedanta Group (Lanjigarh Project), Exxon Mobil etc. Product features, processes and technological advancement have to be streamlined keeping in mind the environmental impact. In the year 2007, Exxon Mobil was in news due to oil spillage in the oceans. This happened because of shortfalls in their operational efficiency. It was also responsible for leaving methane in the North Sea in 1990. After this incident, Exxon Mobil developed its own Environmental policy which states that they are “committed to continuous efforts to improve environmental performance throughout our operations worldwide.” They developed guidelines with respect to spill performance. It focuses on a zero spill rate. In spite of all these measures, Exxon is still criticized for its operational loopholes which have created many environmental hazards. Organizations like Schneider Electric are continuously working on reducing their carbon footprints.

Everyone including the top management has to get involved and strategies need to be formulated. To establish Global Supply Chain Excellence and Sustainability, Environment, Health and Safety concerns have to be incorporated in the roadmap. Companies are shifting more towards green practices.



ExxonMobil's Operations Integrity Management System

Image Source: <http://corporate.exxonmobil.com/html>

There are various ways by which it can be achieved:

1. Incorporating the practices in every avenue possible. For example, using soft copies instead of hard copies.
2. Emphasis on recycling products. This will lead to reduction in waste which is sent to landfills.
3. Green Branding- by associating the word green with the organization's name will help the company in driving its efforts towards a particular direction. It would also motivate the employees to work for a different.

Some other initiatives taken by leading companies can be illustrated as:

1. eBay encourages people to exchange used products which helps in recycling goods and increases the lifespan. The company also has a Classifieds section where used products can be sold within a local community. It has specially partnered with United States Postal Services and created “Priority Mail Packaging” which is environmental friendly.



Image Source: <http://www.treehugger.com/style/interview-with-amy-skoczlas-cole-director-ebay-green-team-video.html>

2. Starbucks focuses on creating green stores and achieves to get LEED certification for all the company owned outlets. It maintains a temperature of 75F instead of the standard 72F and purchases post-industrial material cabinetry.



Image Source: <http://www.treehugger.com/style/interview-with-amy-skoczlas-cole-director-ebay-green-team-video.html>

3. Google has incorporated unique green supply chain practices such as using goats to trim grasses and hosting farmer's practices and sustainable- cooking seminars.
4. Texas Instruments has cut down a lot on its transit packaging for its semiconductor

business through source reduction and recycling packing materials. Similar initiatives have been taken by Pepsi-cola and Dow Corning.

5. Commonwealth Edison has incorporated life-cycle management activities and has substantially reduced the waste volume. Andersen Corporation uses green accounting information in its purchasing, materials handling, inventory and disposition decisions. They have developed procedures for environment cost assessments for different supply chain activities.

6. Ikea has set up its own forestry organization and helps in increasing the number of certified forests and developing new standards in forest management.



Image Source: [http://www.ikea.com/ms/en\\_GB/ikea\\_family/inside\\_ikea/2012\\_summer\\_o4.html](http://www.ikea.com/ms/en_GB/ikea_family/inside_ikea/2012_summer_o4.html)

It has partnered with WWF, and fights illegal logging. They have invested heavily in renewable energy and have gone beyond the conventional image of Furniture Company. They support various programs like human rights, child development etc.

The practices which the organizations follow have to involve everyone - suppliers to customers. Customers should be encouraged to focus on recycling products. Suppliers should be encouraged on developing eco-friendly products. Organizations have to invest heavily in their research and development.

The practices which they follow to excel in their daily operations should also be followed in developing sustainable environmental practices-

1. Developing kaizens - Making small improvements in the processes which impacts the environment. Specifying a yearly target for the employees to develop kaizens specifically related to environment.
2. Zero Abnormality Movement (ZAM)- In ZAM, cross functional teams should be formed which would work for identifying defects/abnormalities in the operational processes and then removing them. These teams would look for potential abnormalities also so that the processes which would generate defects are identified beforehand.
3. Training of the employees and suppliers to increase their awareness level. This can be done by awarding best practices to the employees and signing bulk and long-term contracts with the suppliers.

Corporate Social Responsibility is the duty of every organization. CSR does not necessarily mean philanthropic activities. It goes beyond that. Every strategic decision which an organization takes has its impact on the society. Vedanta's Lanjigarh Plant, Essar's Mahan Plant has created huge controversies as they have caused problems to the local community. The flaws in their operational practices have proved that organizations have to work their operational strategies by keeping in mind the needs of the society. Unorganized supply chains contribute to elevated carbon emissions, increased risks related to unhealthy working conditions (sometimes unethical like child labor).

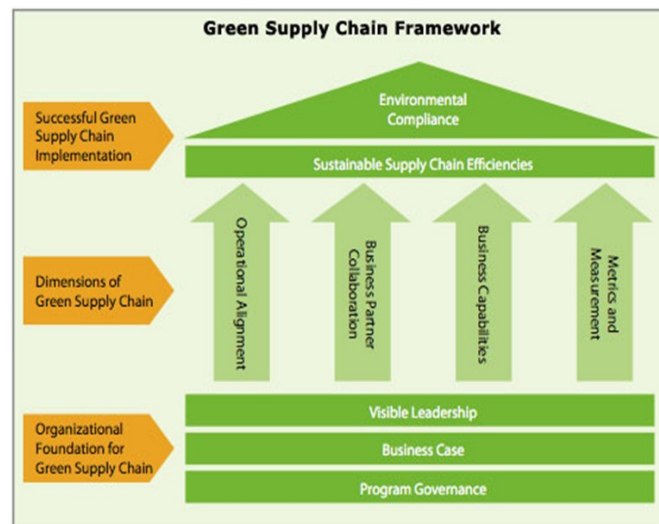


Image Source :  
<https://valuestream2009.files.wordpress.com/2010/04/diamond-green-supply-chain-framework.jpg>

Organizations have to evaluate their environmental as well as social footprints before designing their operational framework. Key changes in processes can make our environment and society more sustainable. This will help in defining the new aspect of Corporate Social Responsibility and the world a better place to live in.

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## Employee Engagement and CSR

*By: Sayantani Sarkar, PGDM (2014-16), T.A. Pai Management Institute, Manipal*

*“Businesses need to go beyond the interests of their companies to the communities they serve”*

*- Ratan Tata*

In the competitive business world of the 21st century where there exists a never-ending war to retain the pool of talent present in an organization, Employee Engagement is a very familiar word. Numerous researches and surveys have been carried out by various organizations to study the impact of employee engagement on overall business performance. All these researches show employee engagement is necessary for enhanced business performance.

Corporate Social Responsibility is the concept by which businesses try to give back something to the society while balancing the interests of their various stakeholders. There exists a strong connection between these two concepts and most organizations incorporate various CSR activities in their employee engagement initiatives.

*So what is the role of CSR in employee engagement? How does it motivate the employees?*

Research has shown that employees prefer to work in organizations which are socially responsible and they take pride in engaging in the CSR initiatives of such organizations. Organizations having strong CSR initiatives send out a positive message to the existing employees as well as to those who want to join the business. This in turn enhances both external and internal employer branding value of these businesses. High rate of attrition not only lowers the morale of existing employees but also increases operational costs like costs of recruiting, providing training to the employees etc. In order to counter this attrition, employee engagement integrated with CSR activities is one of the major initiatives adopted by several companies. Thus, CSR activities not only

help reduce attrition but also improve the financial performance of a company.

Higher level of employee satisfaction also helps to improve performance, thereby enhancing customer satisfaction which provides further boost for CSR-driven companies.

Several companies have adopted numerous CSR activities few examples of which are given below:

### Tata Consultancy Services:

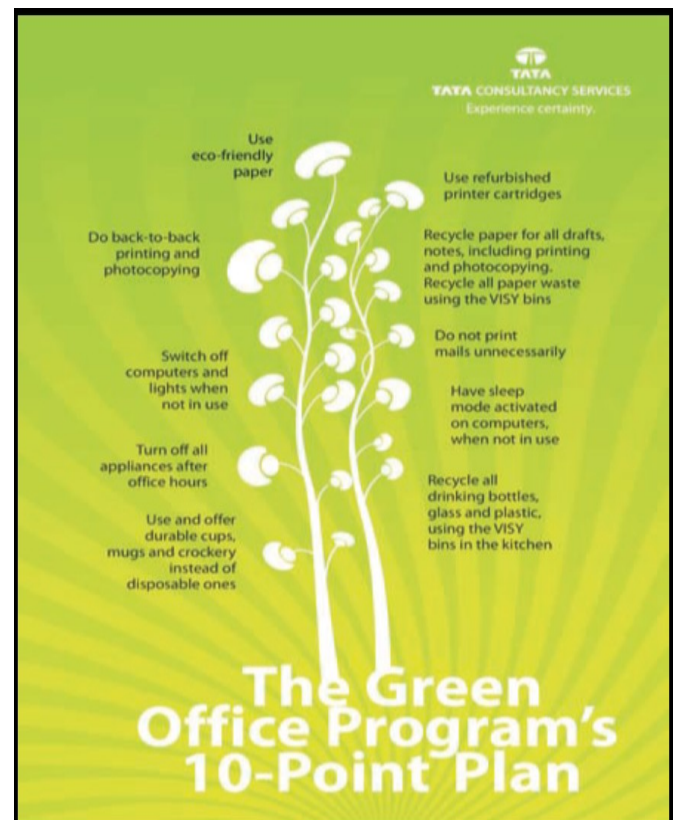


Image Source : [http://www.tcs.com/corp\\_responsibility/](http://www.tcs.com/corp_responsibility/)

Their CSR activities include water and electricity conservation across locations, green area environment preservation and enhancement, bio-digesters of canteen waste etc. Apart from these initiatives, TCS also has several volunteering and fundraising initiatives which enable their employees to reach out to the society.

## WIPRO

‘Wipro Cares’ is Wipro’s community initiative focused on certain key developmental issues faced by underserved and underprivileged communities. It was formed in the year 2003 and is committed to work with communities proximate to Wipro’s center of operations.



Image Source : <http://www.wipro.org/>

But CSR initiatives led only by the top management with little participation from employees of different levels tend to lose their essence in the long run. It is necessary to form a cross-functional team consisting members from every department of an organization which initiates the CSR activities. That also serves the goal of employee engagement. Through fund-raising and financial contributions, volunteering, knowledge sharing and mentorship opportunities, employees can become engaged in the CSR programs.

There are mainly three models which are adopted by companies practicing CSR as a part of employee engagement initiatives- Transactional, Relational and Development approaches. These approaches make sure that not only the top management but all employees participate in the CSR initiatives of the organization.

The transactional model is more of an individual based approach where employees choose CSR activities which suit their own preferences. They select CSR activities which meet their own needs. It lacks the group factor and works as a

customized model. A diverse and globally-spread workforce can adopt this approach for CSR activities. On the other hand, the relational model is more preferred when employees are inclined to be a part of CSR activities as a whole and have a shared interest. It is successful when individual interests of the employees and the overall CSR goals of the organization are aligned in the same direction. The developmental model makes the employees continuously gather knowledge and adapt to the changing environment. It helps them innovate and contribute differently to the society.

Be it transactional, relational or developmental approach, the main aim of organizations adopting these models are engaging their workforce and integrating CSR initiatives so that these initiatives become sustainable in the long run. With increased pace of growth of these businesses, the expectation of society also increases from these organizations thereby increasing their responsibilities.

Employee engagement and CSR go hand-in-hand in today’s business world and organizations which understand this are likely to come up with sustainable competitive advantage.

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## #The Coke Story: Is Corporate Philanthropy the way ahead?

*By: Trisha De Niyogi, MBA-International Business (2014-16), SIIB, Pune*

$E=mc^2$ , a major breakthrough in the field of particle theory, brought about a revolution in Science; as Einstein dared to point out the flaws of Sir Isaac Newton's legendary findings; which went unnoticed and unchallenged over many decades. Like students of physics relate to that, students of business relate to the rise of philanthropy in marketing. Our world is changing. Social welfare was once considered to be the domain of the governments. But things are different now. Never before was it imagined that for-profits could lead the way to social welfare. Till so far, we have heard about the clashes between the two entities, which stand for two completely different ideologies. But, now we hear about them working together in tandem. CSR was, in the past, known as philanthropy at other people's expenses. But, today even the very definition has been updated to doing business responsibly while delivering value to the stakeholders, organization and even the community. Greed seems to be on its way out & corporate virtue, or at least the appearance of it, is in.

The stories about Coca-Cola's CSR are well known. It was in 2006 that the company came under the fire over the environmental issues in India as well as the labour issues in Colombia. However, to protect its brand image to fall further, The Coca-Cola Company came up with an aggressive tactic of "water neutrality". In this world, where even water is priced, the scarcity of water would be great area to invest in by a company like coke, which heavily depends on water. Water is also necessary for the farmers in the areas nearby the coke's bottling plants, which are usually located in the rural areas in India. Its ambition to conserve water globally grabbed several eyeballs. It appeared to be a remarkable step; a brilliant CSR activity intertwined with its brand positioning.

Coke wanted to undo the harm done and position itself as socially acceptable brand in the hearts of its consumers. But, the term itself 'water neutrality' as quoted by all the media houses seems to be on slippery grounds. Attaining zero water footprints is next to impossible. Water is not carbon due to its location-specificity. Thus, water is definitely not fungible.

As a result many researchers suggest, CSR (actually cause marketing) is just a tool to prevent the regulations, which would hinder their growth and camouflage the health concern under its struggle for water conservation. But, isn't it hypocrisy when their series of CSR activities which revolves around health, water and education clashes with their actions; when a wholly owned subsidiary of Coca-Cola was accused of depleting village wells in Kerala, where the scarcity of water had always been a source of immense trouble? Or the recent example of the Kala Dera, Rajasthan where India's largest NGO TERI had asked Coca-Cola to shut down their plant in 2008 due to unsustainable use of water and this was after the 'water neutrality' was rolled out.

Recently, the news informed us about the cancellation of the plot to Coca-Cola beverages in SIPCOT, Tamil Nadu in order to save the towns fearing ground water depletion and water body pollution due to the plant.

Another campaign which Coca-Cola India took up was the 'Support My School' campaign, which not only aims at re-vitalizing model schools in India; but also associate themselves with other organizations and institutions to upgrade the existing infrastructure in semi-urban and rural areas for water harvesting and other water conservation techniques.

The company claims to recharge more than the amount of water it withdraws. But the fact remains, that Coca-Cola did not even install the cheap and easily available 'meter' to measure it. But used some vague and 'undisclosable' mathematical model to calculate the "recharge potential" of the RWH (rainwater harvesting) structures. Lesson learnt here is that the consumer or the authority responsible for social welfare are watching over you; you simply cannot afford to hurt the people for whom the CSR activity is directed.

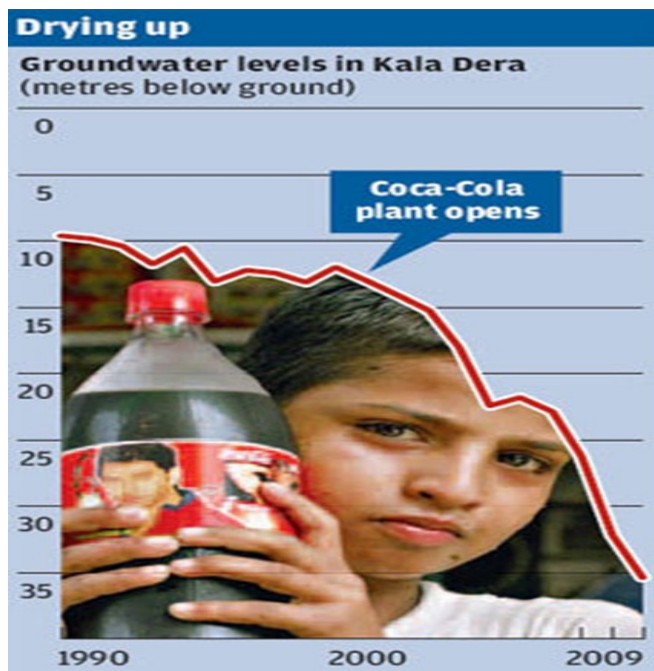


Image Source:

<http://www.indiaresource.org/campaigns/coke/2008neutrality.html>

CSR has the capability to bring about a reversal to the global and social degeneration of the world we live in. There isn't any dearth of examples of corporate altruism today. From m-pesa in Kenya to ITC e-choupal in India; ASDA 'zero-waste' in UK to Microsoft's Youth-Spark in the US, the entire world map is dotted with companies which give a lot of attention as well as importance to Corporate Social Activities. As Gandhi said, "There is enough for everyone's need, but not enough for everyone's greed."

But, to assume that we are all are 100 per cent altruists by nature, would be an imprecise supposition. CSR's relationship with the

businesses either fully integrated, or selective and invisible, all have can bring about a revolution both in business as well as society. The integration of CSR with the brand image requires the marketing head to keep it in the center while developing the marketing mix to attain maximize benefit (in profit) from the good deeds in the five fields – economy, employees, environment, society and compliance.

The best example would be HUL's Shakti project, where trained women in villages not only earn for themselves but for the company as well. The sense of ownership is missing in the activities carried out by these companies. Moreover, uniform laws for all countries alike may not solve the problem but may in turn harm the under-developed economies. This might get escalated to another 'Food Bill' issue on the global platform because as many feel and I concur 'glocal' rules enforced by the authorities within the country are more than capable enough to understand what harms them and ultimately curb them.

Additionally, it is not the laws but the examples, which corrects human behavior. Because at the heart of CSR is the idea that companies on their own, voluntarily, gives assistance to the increasingly desperate authorities to deliver tangible and sustainable benefits to those who need. Organizations like Microsoft, Hindustan Unilever, Vodafone, Bharti Airtel, ING, Thomson Reuters, ITC and many more have successfully integrated CSR activities into not just marketing but operations too and positioned their brand as trust-worthy and noble and even generate a fortune at the bottom of the pyramid. Thus, the correctionary measures & stellar examples can change hearts over time, phase after phase; e-tape after e-tape; otherwise all will cancelled for our generation and the generations yet to come; if not for just one word 'altruism'.

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## Cause Marketing and CSR—the glaring lines of difference between the two

*By: Anupama Naskar, PGP (2014-16), IIM Indore*

Leaders of today are looking for more than just their annual pay- they are looking for a meaning in the work they do-thus tying personal values closely to their careers. They simply want to go beyond making profit for the company by doing something which has a sustainable impact on the society.

In this context we hear cause marketing and corporate social responsibility (CSR) often interchangeably and hence mistaken for each other. Some people view cause marketing as a subset of CSR while others think that both are different altogether. Both cause marketing and CSR are opportunities for the socio conscious leaders to differentiate the product by embracing a worthy cause as a communication tool .

Cause Marketing is undertaken because today's hard to please consumers are looking for companies that can think beyond their profitability. One study reveals that 80% percent of the people are more likely to support companies with a social cause or linked to a non-profit organization because they want to make a difference to the society by their purchasing the product. The 2010 Cone Cause Evolution Study states that more than two in five consumers have bought such products in the past year which has positive social and environmental impact. In cause related campaigns companies partner with charitable organization's and a certain amount generated through the sale of the products is donated for the cause. A good example is how Proctor and Gamble supported Special Olympics. P&G donated a percentage of the price of the products sold for Special Olympics.

CRM was started way back in 1983 when American Express promised to pay \$ 1 for every new issue of the card for the restoration of the Statue

of Liberty and the Ellis Island. It had an incredible success story- 1.7 million was raised for the cause and there was 28% increase in the use of credit cards. There was an immense increase in the media coverage and publicity. Other companies sensed an opportunity in cause marketing and jumped to adopt this strategy.



Image Source <http://steamdrivenmedia.com/banner-cause-marketing.png>

Many seasonal cause marketing campaigns are conducted by many companies which are deemed by the people as opportunistic. The people have become skeptical to the intentions of what the firm is saying with so many cause related campaigns coming up. Consumers rejecting the authenticity of the claim leads to decrease in the sale of the products.

Product positioning for a social cause and concern takes time. CRM was started way back in 1983 when American Express promised to pay \$ 1 for every new issue of the card for the restoration of the Statue of Liberty and the Ellis Island. It had an incredible success story- 1.7 million was raised for the cause and there was 28% increase in the use of credit cards. There was an immense increase in the media coverage and publicity. Other companies sensed an opportunity in cause marketing and jumped to adopt this strategy. The people have become skeptical to the intentions of what the firm is saying with so many cause related campaigns coming up.

Consumers rejecting the authenticity of the claim leads to decrease in the sale of the product. Product positioning for a social cause and concern takes time. The choice of the non-profit organization for cause marketing can sometimes go wrong. Take the case of KFC for instance. KFC had started “Buckets for the Cure” Fund-raising campaign where KFC donated 50 cents, for every \$50 bucket, to Cure- a non-profit organization fighting against breast cancer.



Image Source : <https://uwyobiz.wordpress.com/>

However the choice was not well accepted by the people because there is a high possibility of breast cancer in people with high fat diets. So KFC advertising for such a campaign was contradicting and hence was not well received by the people.

On the other hand, CSR primarily aims at donating a certain amount of profit for a generous social cause not linked to the profitability of the company. Corporate Social Responsibility is a large part of the “Green Movement”. Companies go beyond their profitability to address the economic, social, environmental impacts and the relationships in all key spheres of influence like the workplace, marketplace, supply chain etc. CSR covers many areas other than the environment like the human rights issues, impact on community, workplace issues and so on. For example, Nike as a CSR initiative has launched innovative and sustainable shoes thus participating in initiatives that benefit society.

Corporate social responsibility has been in practice from the 1800s at least in the USA. Earlier the philanthropic donations were for only those companies who could afford it. CSR is

practically aimed at people to go beyond their legal obligations for the larger benefit of the society. But in today’s competitive environment- donations by the company no longer provides the key to the customer’s heart. Skeptical customers analyze whether the donations are a mere effort for the goodwill of the firm or some honest donations for the upliftment of the society. The most obvious impact of CSR on the company is reputation. Well-built reputation enables a firm to charge premium prices, enhance visibility from investors. CSR and cause marketing have both common and dissimilar elements that make them bond one to another. The point of convergence of CSR and cause marketing seems to be on the fact that it enables community responsibility-aimed at bringing positive changes to the environment in which the company operates.

The possible shift of companies from CSR to cause marketing may be on the basis that consumers are demanding more value for money. They tend to identify themselves more with companies that not only seek economical value in the form of profit but also seek environmental and social value. The companies which thrive in today’s scenario are the ones who can distinguish themselves well, manage their relationships and can protect their reputation. Differentiating by a consistent contribution to a generous cause is highly rewarded. However only a realistic honest cause builds brand equity and reputation.

In simple words, if a chips company wants to stop the unhealthy chips for the children and decides to launch a healthy chips instead it is corporate social responsibility. On the other hand, if the company partners with a non government organization to help poverty-stricken children, it will be cause marketing. But the distinctions between CSR and cause marketing has increasingly become blurred because nowadays even CSR is done with the marketing objective in mind. It is thus another arm of marketing in today’s scenario.

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We invite articles for the May 2015 Issue of Samvad.

The Theme for the next month: May 2015 - “**Manufacturing Sector**”

The articles can be from Finance, Marketing, Human Resources, Operations or General Management domains.

## **Submission Guidelines:**

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images.
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com**. **Deadline for submission of articles : 27th May, 2015**
- Please name your file as: <YourName>\_<title>\_<section name e.g. Marketing/Finance>
- Subject line: <YourName>\_<Course>\_<Year>\_<Institute Name>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Like our Fb pg: [Samvad.WeSchool.Student.Magazine](#).

## Samvad Blog

As said by Ann Morough Lindburg, “Good communication is as stimulating as black coffee and just as hard to sleep after.” Samvad, which means 'to converse' in Hindi, is exactly the motive of our team Samvad. Our readers and writers are of utmost importance to us at Samvad. We don't like to interact with you only once when the issue is released. So, we thought, what next? Then came the idea of a blog - the ideal platform for meaningful discussion on a more regular basis. Hence, we present to you 'The Samvad Blog'. The Samvad Blog, as the name suggests is a blog dedicated to sharing of information, insights and opinions that allow exchange of some valuable ideas by stimulating your intellectual senses. It will include some interesting reads on management gurus, book reviews, and relevant articles among many other varieties of food for thought.

<http://samvadwe.blogspot.in/>

Don't forget to comment with your opinions. Always have a healthy debate we say! As progression lies not in agreement, but debate!



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