



## Issues and Ideas in Education

Journal homepage: <https://iie.chitkara.edu.in/>

### Corporate Social Responsibility and its impact on the Indian Education Sector

Arpana Singh\* and Tanuja Kaushik

School of Management, G.D Goenka University, Sohna Gurgaon Road, Gurgaon, Haryana 122103

Email: [arpana29@gmail.com](mailto:arpana29@gmail.com)

#### ARTICLE INFORMATION

Received: April 05, 2018  
Revised: May 29, 2018  
Accepted: June 18, 2018  
Published online: September 03, 2018

*Keywords:*  
*Corporate Social Responsibility, Education, India*

#### ABSTRACT

Education is the backbone of any society in this world but the quality of education matter a lot. In India Government has been taken several steps to improve education quality but government effort alone could not do enough. Everyone should give some contribution to improve quality of education. Like government Indian Corporate sectors has been also playing very vital role to enhance education quality through their Corporate Social Responsibility. This paper explains different Initiatives which has been taken by the top Indian corporates for betterment of education and also explore its impact on Indian education sector.

**Purpose:** The aim of the paper is to identify the CSR initiatives of Indian corporations that has a direct impact on educational field of India and to classify which type of activities are involved to support education system of India.

**Methodology:** This study is exploratory followed by descriptive in nature. The study is essentially a review of literature on CSR. Various secondary sources have been used to support this theoretical conceptual research such as recent newspaper articles, available published literature, company reports and government websites.

**Findings:** Since ancient time CSR activities have been adopted by Indian companies. This study found that companies in India are more interested to contribute their CSR activities in education field but study also revealed that much more contribution and efforts have been required than the current contribution.

**Originality:** The paper shares about CSR initiatives of Corporations in field of education to uplift the education infrastructure, system and shaping the knowledge culture for better future.

**Implications:** This study insight on Indian education sector requirement and the significant aspects of CSR initiatives taken by top corporations of India. This study contributes towards the CSR strategy formation of the companies and government for enhancing CSR initiatives for uplifting Indian education sector.

DOI: <https://doi.org/10.15415/iie.2018.62008>

### 1. Introduction

This present era of globalization reflects that, Corporations and business enterprises are not restricted to the traditional boundaries of the nation-state. Nowadays CSR has a very prominent on the corporate agenda and playing an important role in the rapidly changing global world. CSR is a concept which leads in the field of business reporting. Every business has policy for CSR and involved in CSR activities for which business has to report detailing about the CSR activities (Crowther & Gular, 2008). CSR not only takes the activities of companies for better utilisation of profit to make social and environment development but also include the methods employed to make these profit and maintain transparency among all stakeholders (Chamber, 2013).

For the long term sustainability in the market companies required two major important prerequisite that is social and environment concerned. This new generation of corporations identified these requirement and makes strategy for CSR. “Corporate Social Responsibility (CSR) aims to better integrate social and environmental concerns into business routines on a voluntary basis.” (Steurer, 2009).

Many organisations give donations for various causes such as education, community improvement, and arts and culture in spite of growing interest in corporate responsibility, it is difficult to define the concept because every authors have different opinions.

As per the study conducted by the Varkey Foundation on CSR Spent from 2011 to 2013, Fortune Global 500 companies spent \$2.6bn on education annually, \$1bn.

These companies has been spent 13% of their corporate social responsibility (CSR) contributions – and 10.4% of their grants – on education which much insufficient as UNESCO stated in their report that Global education has to handle an annual budgetary shortfall of \$26bn. Even though education spending by the world's largest companies isn't not enough to meet the shortfall. Objective of the study is identify the CSR initiatives of Indian corporations that have a direct impact on educational sector in India and to classify which type of CSR activities are involved to support education system of India.

To fulfill the said objectives various secondary sources have been reviewed. Recent newspaper articles. Available published literature includes Journals, Government websites Articles and reports published by some renowned management consulting firms, company's websites. In India, out of the total of 229 million students only enrolled for class I – XII, only some of actually receive quality education with good teachers and teaching aids.

## 2. Literature Review

The quality of education is an important for everyone. A good education is having a backbone of every society in this world. But what matters the most is the quality of education- a dream for many. The prevailing challenge in India is still the same of 20th century and also about the danger of primary and higher education system. In 2016, Annual Status of Education Report data indicates that 71.4% of enrolled children in primary schools and 73.2% of enrolled children in upper primary schools. Children's attendance shows no major change from 2014. (Annual status of education report, 2016). All India Survey on Higher Education (AISHE). The latest survey results show that there are total 38,000 colleges in India which includes total number of 767 universities in India. Almost million students are enrolled in these universities with 1.4 million teachers. Repots also stated that the gross enrolment ratio, the percentage of population 18-23 enrolled in college, is approximately 23.6% for India as per the report of All India Survey on Higher Education (AISHE).

Corporate Social Responsibility (CSR) gradually taking very important position of business activity nationally and internationally. Without the contribution to society it's not possible for any business to ensure success (Deshmukh, 2017). The success of an every company depended on the stakeholder's interest and it can be possible only when the interests of all involved stakeholders are met. One of the most important stakeholders in this system is the society in which the company operates. (Joseph Marmol Yap, 2013) Conducted empirical study which revealed that CSR programs pointed their corporate backing to the different

areas in the community notably in the field of education, community, environment and sustainable development, healthcare and other arising social need. Libraries are very prone to education and training sector. Remarkable contribution has been given by the corporation in ethical and moral ground of CSR program by the earning corporation is a palpable service to the needy population.

Every company has implemented their corporate social responsibility program through their established foundations. These foundations basically work to provide assistance to support distinct concerns of a larger community that required help in the sectors of education, health, housing, environment and others. The companies with CSR target to do better for the community as a way of returning or thanking them for their great support to either their products or services. They also wish to see the opportunity of their stakeholders to achieve better lives.

The main aim of CSR is to satisfy stakeholders. (Gupta A. d., 2014).. It can be possible by approaching the legal requirements to boost ethical practice, philanthropy and social reporting. The advised to corporation is too focused on the Corporate sustainability on the long-term economic and social stakeholder expectations. By doing all these arrangements would significantly increase the scope of all stakeholders and definitely lead corporation towards better and fast sustainable development. The most important factor to bridge the gap between CSR and corporate governance is business ethics and social accountability.

There're needs of research to throw a light on the gap between strategic and operational levels of corporate responsibility. (Johanna Kujala, 2013) This study also showed that policy and plans may not always correspond to implementation. Author identified that every organization having their own stage or phase of development according to which they enables to perform and involve in CSR. To reduce the gap between the policy and implementation it needs to be considered the internal culture of the organization in which different culture are in cooperated.

Several challenges has to be faced by the companies that are increasing innovations, increasing public expectations, social and environmental problems and constant quality enhancement. (James, 2012). Companies compelled to map their CSR activities within a very vital and complex environment. Engaging in CSR is recognized to be a good thing. Companies should make CSR activities as a part of every business and organization should definitely mark the effect of financial parameters on CSR activities. Author pointed out the association between CSR ratings and firm characteristics is very vital in creation of goodwill.

Srinivasan (2012) conducted study to identify the status of teaching of corporate governance, ethics, environment and sustainability in top ranked business school in India.

Findings of the study revealed that the ethics being highly incorporated course in graduation level and most ignored is corporate governance. It is notable that Corporate Governance is very significant aspects of business in practical ground as well as research and academia. The ignorance of Corporate Governance is highly not recommendable.

Corporate social responsibility built the positive image of a company. The most significant motivational factor for corporation is to adopt CSR is goodwill. (Verma, 2011) Companies performing their task for society in different ways, many companies do CSR activities on regular basis while few companies do rarely. Companies daily or formal course of action could not considered as CSR activities. CSR is not new concept for Indian Corporate sector, it has been carried out from ancient time in India. Indian companies steadily building their marks in doing good job for society. Now financial market has also entered in this sector.

The most important thing is to firm should be able to differentiate itself from its competitors. Collegial value creation says that CSR activities may give opportunities for a firm that fulfil the needs of its stakeholders and at the same time follow its profit goals. (Shabana et al., 2010) To reach these opportunities is only possible through CSR activities. Increasing support for the business case among academic and practitioners is noticeable. Organization should understand the circumstances of the different CSR activities and follow those activities that demonstration a convergence between the firm's economic goals and the social goals of society.

### 3. CSR in Education in India

To develop educational conditions it's necessary for government and corporations to work together and in this contribution corporates role are very significant. In India being a developing country it's very necessary for corporates to contribute significantly in the field of education in a way of corporate social responsibility which enhance the education condition of country. Let us have glance to the companies which is having best companies in India and their vital contribution in education field of India.

#### 3.1 TATA Group CSR activities in Education sector

In FY16, TATA Company reached out to more than 230 schools covering over one lakh students through various educational initiatives. Tata group made the budget of 1000 crores on CSR for the year of 2013-2014 that made Tata Steel the topmost spender among all. It has aim to launch 1,000 schools project in Odisha, for bettering the education quality of government primary schools.

In Pune Tata Motors launched the education program named "Tata Education Excellence" this Program has won many award also. The main objective of this program is to identify 600 boys and girls in every year and enlisted in secondary schools. The logic behind this objective was helping to increasing the passing percentage of students which is 98% and decreasing the drop-out rates which recorded about less than 5%. Other CSR programs of the company includes to give supports to several municipal schools in Mumbai, 11 schools in Jamshedpur and a special-needs children school named Asha Kiran. Companies also arrange coaching classes for students who are not goods in study and contribute scholarship assistance to commendable good students.

The impoverished community in government schools also getting education by Tata Teleservices. TATA group also facilitating the program called Teacher Training programs the basic motive of this program is to boost the standard of education for the students of Government schools.

#### 3.2 CSR contribution in Education sector by Wipro

Wipro's having a slogan of "Applying Thought in Schools" is a component of its CSR action of "Wipro cares". This program plays a very significant role in education sector. This program enables to fetch together all about 1000 schools, 10,000 teacher and 30 social organizations in all over different 17 states in the country. This program makes possible to frame a complete remodel in the education field of India. Wipro also working on the program which providing supports to workshops and seminars that enables teachers.

#### 3.3 CSR exercise of ITC in Education sector

ITC ranked most active in CSR in 2015-16 and in Nielsen Corporate Image Monitor 2014-15 ITC Limited has got first rank in CSR Category from last two successive years. Its Primary Education Program has gained over 300,000 children. It's also providing assistance to economic weak rural families for Education. The main objectives are to achieve noticeable improvement in Government schools Infrastructure, to support children by providing supplementary education, creating community and parental engagement with school education. There are also different ways through which company support education system in India like build resource center, mobile library services approximately in 310 schools and also build a network of about 353 libraries.

#### 3.4 CSR activities of Indian Oil Corporation in Education sector

Several CSR initiatives have taken by Indian Oil Corporation and company accolade the exemplary good students in every year by providing 2600 scholarship. They also having

program of rewarding students from different area like disabled students, students belong to J&K, all walks of life and explicitly to girl's student.

### **3.5 Aditya Birla Group CSR contribution in Education sector**

Aditya Birla Group CSR initiatives are quite distinct from others as it accomplishes their CSR responsibilities by focusing on awarding merit scholarships for girls to follow higher education and technical education for boys to make them best for industry. Aditya Birla Schools are marked their presence in all over 11 states along with Balwadis and Aditya Birla Vidya Mandirs through facilitating education in all type of kid. They also focus for every school in India to boost computer education and distance education so that education system of our country build stronger.

### **3.6 Maruti Suzuki different CSR actions in Education sector**

Maruti Suzuki's adopted 10 states run ITI colleges from state like Tamil Nadu, Kerala, Goa, Haryana and Maharashtra to transform their best in their respective field. It is quite interesting and innovative kind of CSR initiatives adopted by Maruti Suzuki's to provide technical education-oriented route.

### **3.7 Reliance Industries CSR Contribution in Education sector**

Reliance Industries has playing a very key role in education sector and they furnishing infrastructure as CSR activities through various means like by constructing & renovating school buildings, distributing free note books and text books to students, giving scholarship to the exemplary student, creating corrective centers and circulating awareness about the prerequisite for computer education in rural India.

### **3.8 Tech Mahindra CSR Actions in Education sector**

CSR activities of Tech Mahindra's social are carried out by Tech Mahindra Foundation (TMF), its having a good national position for corporate social responsibility (CSR). It has budget of INR 35 Cr for 2015-16 for the program called 'Empowering through Education' and TMF has been working very hard to make this program successful. The Foundation is able to mark their presence in ten different locations of India through supervising 150 plus projects. In the Year 2014 to 2015 more than 50 schools has got support from TMF which is incredible. These supports include

different areas like social, academic, organizational and infrastructural for distributing better performance.

Corporate in India have found great scope in Education sector for spending their CSR share and in near future there is hopefully a great scope to do much more. The present demand from corporate is to figure out and build innovative CSR ideas so that they are more able to reach maximum remote areas. The best example of one such is **Mini Science Centre**.

### **3.9 Mini Science Centre for CSR activities**

A **Mini Science Centre** having more than sixty working model of math's and interactive table top of science and also having good informative backdrops. It includes working models for different subjects who found more difficult by the students like chemistry, physics, biology, geometry, mathematics and astronomy. The base of these working models is generally text book syllabus of distinct boards like CBSE, SSC and ICSE of class fifth to tenth. These working models are available in all regional languages and also in English. The basic idea behind developing Mini science Centre is to learning by doing rather than rote learning. It encourages and motivates students to apply theory in application in their day to day life.

Maharashtra Government has taken a bold step regarding Mini Science Centre with the help of and Maharashtra State Government Resolution (GR) government has decided to install this Centre in all schools including Government, Aided and Local Self Governing schools. The schools will be responsible for maintaining the Centre and monitor the effectiveness through self-assessment. This is the golden opportunity for corporates to share their contribution towards CSR by providing sponsorship to these Mini Science Centre's of government schools in India.

Installation facility has been provided by **STEM Learning Pvt Ltd** for Mini Science Centers in India. Total 250 Mini Science Centers has been installed by STEM Learning in Government & private schools in all over the India. STEM Learning having many connection for CSR initiatives with several corporates like JSW Foundation, Bank of Baroda, L&T Infotech, Ultratech Cement & Lupin Foundation. "CSR in Education in India is a worthy cause to contribute to achieve a good quality education system" (CSRtimes.com, 2015)

## **4. Findings**

The total funds coming to education, specifically from corporate social responsibility (CSR) budgets, are on the rise but overall learning levels in school across India were disappointing (Annual status of education report, 2016). In the financial year 2016 education received the highest



amount of CSR funding among all social development activities allowed under CSR Rules. India will have the largest working population by 2030, which is why the company wants to focus on education. Corporate choose education sector for CSR initiative because benefits directly goes to beneficiary and gives impact on long run. Corporations pay more attention to infrastructure of education but present demand is to be more innovative and creative to reach good quality education in India.

The research revealed that providing infrastructure support is the most common activity in the education domain, undertaken by approximately 88% (44 out of total of 50 companies focusing on education thematic area) of the companies (Chamber, 2013).

## 5. Limitation

Although the research has obtained its objectives, there were some unavoidable limitations also. First because of the limited time frame, this research was done only on a small number of companies. Therefore, to generalize the results, the study should have included more companies from India. Secondly, the study totally relies on the data provided by the company's reports and websites.

## 6. Scope for Future Research

Future studies should be conducted overcoming the limitations described above. Future studies could use the quantitative approach to analyze this study. This study proposed Impact of CSR on education in the Indian context only. Similarly, it can be conducted in other countries also.

## Conclusion

"Education is favored because it touches on various aspects of many social problems," said by Niraj Seth, he is a senior partner at Ernst and Young LLP. According to data compiled by Prime Database, companies spent Rs 8,345 crore on various CSR activities in 2015-16, against Rs 6,526 crore the previous year. Education was the most preferred cause, attracting Rs 2,042 crore or nearly a fourth of the total spending. This substantial increase in CSR funding in the last financial year has given a lot of push to quality education initiatives along with intensifying Skilling India Mission and Swachh Bharat Mission of Government of India. Education project received 32% of the CSR fund while Swachh Bharat related projects received 7.3% of Indian companies' CSR fund. "It is not enough just to build infrastructure. The government already does that. What we need is to supplement that infrastructure with quality education," Jain of Dell Foundation said. (Manku, 2017).

## References

- AISHE Final Report 2017-18. Retrieved from <http://aishe.nic.in/aishe/viewDocument.action?documentId=245>
- ASER Centre, (2017). Annual Status of Education Report (Rural) 2016. Retrieved From [http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202016/aser\\_2016.pdf](http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202016/aser_2016.pdf)
- Crowther, D. & Gular, A. (2008). Governance and sustainability: An Investigation into the Relationship between Corporate Governance and Corporate Management Decision, **46(3)**, 433–448. <https://doi.org/10.1108/00251740810863870>
- Deshmukh, D. P. (2017). Corporate Social Responsibility and Education Sector: Issues and Remedies. *International Journal of Management*, **8(1)**, 137–144.
- Gupta A. D.(2014). Implementing Corporate Social Responsibility in India: Issues and the Beyond. In Ray S., & Siva Raju S. (Eds.), *Implementing Corporate Social Responsibility* (pp. 19-29). Springer, New Delhi
- James, L. (2012). Prospects of CSR:An overview of 500 Indian companies. *The IUP Journal of Corporate Governance*. **11(4)**, 55–68.
- Kujala, J., Rehbein, K., Toikka, T., & Enroth, J., (2013). Researching the gap between strategic and operational level of corporate social responsibility. *Baltic Journal of Management*. **8(2)**, 142–165. <http://dx.doi.org/10.1108/17465261311309993>
- Manku, M. (2017, Jan 21). Are CSR funds in education being used smartly? Retrieved February 05, 2017, from <https://www.livemint.com/Politics/Oy4gGPHkprROiZ99ypQmOl/Are-CSR-funds-in-education-being-used-smartly.html>
- PHD Chamber. (2013). *Corporate Social Responsibility in India*. Ernst & Young Delhi
- Shabana, K. M., & Carroll, A. B. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*. **12(1)**, 86–105. <https://doi.org/10.1111/j.1468-2370.2009.00275.x>
- Srinivasan P., Srinivasan, V. & Anand, R. (2012). Status of Ethics, Corporate Governance, CSR and Environment Education in Business Schools in India: An Exploratory Study. IIM Bangalore Research Paper No.362 Retrieved from <https://doi.org/10.2139/ssrn.2116274>
- STEM Learning Pvt Ltd. (2015, May 28). CSR in Education in India. Retrieved February 23, 2017 from <http://www.csrtimes.com/community-blogs/csr-in-education-in-india/vDziqCSXUj>

Steurer, R. (2009). The Role of Governments in Corporate Social Responsibility: characterizing Public Policies in Europe. *Policy Science*, **43(1)**, 49–72.  
[doi.org/10.1007/s11077-009-9084-4](https://doi.org/10.1007/s11077-009-9084-4)

Verma S. (2011). Indian Companies Indulge in CSR?. *Journal of Management & Public Policy*, **2(2)**, 52–69

Yap, J. M. Juan, E. F., & Perez, M.V (2013) , 3rd International Conference of Asian Special Libraries(ICoASI): Corporate Social Responsibility Programs in Philippine Libraries, April 10-12,2013, ICoASI