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CORPORATE SOCIAL RESPONSIBILITY: A NEW TOOL TO INCLUSIVE SKILL DEVELOPMENT

(A Case study of Dr. Reddy's Foundation, Hyderabad, AP. India)

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ABSTRACT

This study is based on primary data with of 95 sample respondents from the Beneficiaries of Dr Reddy's Foundation (A social and Human Development of Dr Reddy's laboratories) operating at Telengana and Andhra Pradesh. The objective of this article an attempt is made to evaluate the CSR activities and its impact on Beneficiaries, society and nation. Simple percentages were used to analyse the data collected.

KEYWORDS: *Corporate social Responsibility, DR Reddy's*

INTRODUCTION

The concept of Corporate Social Responsibility (CSR) is not new in India. It emerged from the Vedic Period, when Kings had an obligation towards society and merchants displayed their own business responsibility by building places of worship, education institution, roads and wells. Although the core function of business was to create wealth for society and was based on an economic structure, the business community with their rulers believed in the philosophy of Sarva loka hitam which means the well-being of all stakeholders.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic environmental and social imperatives Triple-bottom-Line Approach (UNIDO), with the help of these corporate companies even government has brought to many changes in the area of science & technology, the area of science & technology, telecommunication, biotechnology, aerospace, health and say in what not. But even though the social sector did not get expected level of development. The companies took CSR voluntarily and no proper guidelines were formed for the development. Many

times the existence of corporate social responsibility itself was questioned?

In current scenario the Indian society is witnessing rapid transition in the market. The Indian corporate sectors are merging/acquiring foreign companies with their strong capabilities of expanding business and branding their products in the global market. The profit margin is getting high and the wealth they are crating is enormous, which not only contributes to India's GDP but it also helps to create employment opportunity through which buying capacity will also increases among the people.

On the other hand where India, which adopts mixed economy combining features of capitalism and socialism, that fails to reach marginalized people and this model contributes to widespread inefficiencies, corruption, and the failings of this system were due largely to its poor implementation. India is still called as developing nation because of the poverty, unemployment, illiteracy, unequal distribution of wealth, malnutrition, corruption, lack of infrastructure etc.

The Indian corporate sector spends more than US \$ 20 billion, up from US \$ 6.31 billion during 2007-2008. The SAIL, the country's largest steel company spends around US \$ 22 million every year. Tata Steel Ltd spends around US \$ 32 million as part of its annual revenue expenditure. Looking

into the volume of their CSR spending and its future scope, it is expected that the sustainable development sector needs to be addressed very professionally, where the stakeholders of business will have enough space for participation and involvement. The new Companies Bill has mandated that organizations with a net worth of Rs. 500 crore or turnover of Rs. 1000 crore or net profit of Rs. 5 crore have to spend 2 percent of their average net profit in last three years on CSR

ABOUT DR REDDYS FOUNDATION

Set up in 1996, Dr Reddy's Foundation (DRF) acts as a catalyst of change that fosters development and promotes initiatives at individual, group and organization levels to achieve sustainable development. Driven by the belief that equity in education and livelihoods helps in building an inclusive society, DRF strives to create quality opportunities in these two areas, with particular focus in economically disadvantaged youth. It works in partnership with all concerned in this endeavour.

Even as we celebrate a booming economy, with its surplus jobs and employment opportunities, a section of our population is just waiting for a chance to earn their first salary - however small it may be. Ironically, we also have the highest number of child labourers - close to 17 million. With just your day's salary, you can make a big difference - empower someone with a job and pull them not just out of unemployment but poverty too. About 35 percent of Indians are below 15 years of age, 55 percent of Indians are below 30 years age, 71 percent of Indians are below 35 years of age, and 93 percent of the employment generated was in the unorganized sector. This means that there is no job security, no social security associated with the job, no employee benefits, irregular working hours, poor work environment etc.

It is estimated that there are nearly 300 million people in the country who are in the employable age group but still unemployed. Lack of adequate market based skill, or adequate employment opportunity within the local geography is the prime reason for this in absolute terms, there were 45.2 million unemployed in 2001, of whom 8.5 million were illiterate and 36.7 literate, including 4.8 million graduates

Skill development Training

Programme:-

SKILL DEVELOPMENT

Skill development of labour force is fundamental both to employment generation and improving productivity of labour. India is one of the largest labour forces in the world but has the least number of skilled workers constituting only 5 percent compared to South Korea's 95 percent.

Increasing pace of globalization and technological change provides both challenges and growing opportunities for economic expansion and job creation. In a rapidly changing environment, new ways and means of ensuring that people, who work, possess the necessary knowledge, skills and attitude are the criteria for seizing the opportunities inherent in globalization and technical progress while reducing their unwanted consequences, reports International Labour Organization. Keeping all the facts in view Dr Reddy's foundation was initiated skill development training programme with PPP (Public Private Partnership) Model.

LIVELIHOOD ADVANCEMENT BUSINESS SCHOOL

The idea of providing sustainable livelihoods began on a modest note in 1996, with programmes for guiding children at risk (including child labour) into mainstream of education through bridge schools. As these programmes adversely impacted the family incomes of these children, DRF conceived the idea of providing vocational skills to the siblings above 18 years of age

Under a program titled "Urban Neighbourhood Sanitation Program" DRF trained a few young street dwellers in Hyderabad to become micro-entrepreneurs with responsibility for keeping individual colonies free of garbage. The municipality provided tricycles for garbage collection, while the colony dwellers paid the entrepreneurs for their services. The program was scaled up to 10 other cities/towns in Andhra Pradesh in collaboration with UNICEF. Buoyed by this success, DRF widened its **skill development programme** to include hospital health care workers, office assistants, domestic workers, home nurses and computer operators in 1999. All these programmes were brought under one umbrella which was appropriately christened as the **Livelihood Advancement Business Schools (LABS)**.

LABS address the needs of youth in the age group of 18-35 years who are constrained by low income levels, inadequate skills, irregular employment, lack of access to opportunities for training and development, indebtedness and little bargaining power at the economic / social levels. To enable them to gain a foothold in the competitive job market, LABS give them livelihood and soft skills in an environment of interactive learning and mentoring that develops their inherent capabilities. Operational in over 150 centers across India, this is one of -its-kind business schools which tells the collective success story of tens of thousands of economically disadvantaged youth, and of their journey to self-respect and financial independence.

An overview of LABS Academies:-

- 1) BPO Services
- 2) Bed Side Patient Assistance (BSPA)
- 3) Customer Relations & Sales (CRS)
- 4) Hospitality (HSPT)
- 5) Information Technology & Enabled services (ITES)
- 6) IT CISCO
- 7) Automobile Mechanism (AM)
- 8) Micro irrigation Technician (MIT)
- 9) Multi skilled Technician (MST)
- 10) Pre Primary Teacher Training Course (PPTTC)
- 11) White Goods Services (WGS)
- 12) Refrigeration and Air – Conditioning (R&AC)
- 13) Machine Operator
- 14) Security services
- 15) Home mangers
- 16) Pharma Retail
- 17) In shop Demonstrator (ISD)
- 18) Direct Sales Academy
- 19) IT Hard Ware
- 20) Animation & Office administration

REVIEW OF LITERATURE

The review of literature has been done in order to assess the importance of Corporate Social Responsibility and its impact on society, there is very few studies conducted so far in this area however, a few important studies have been presented here.

Dr. Sanmukha Rao in his paper Corporate social Responsibility has explained about the concept of corporate social responsibility in ancient days and modern period the objective of this paper was examine the role of CSR in sustainable development of nation, and he concludes that the Corporate social responsibility make a nation strong development.

Dr. Kodandarama in his research article Corporate social responsibility: Development Perspective described the success of the CSR relies

heavily on the management (HR department & CSR department) in framing and implementing the good programmes. By doing so organisation not only gets a brand name, but it can achieve heights of success by improved profitability, employee morale, customer satisfaction etc.

Need for the study: The present study is concerned with the practices of Corporate Social Responsibility as today the Corporate Social Responsibility is very important for the development of society, as it leads to nation development, it is the responsibility of every corporate company, Dr Reddy's Laboratories is doing very good CSR activities, located at Hyderabad and. The organisation is a prestigious in Pharma products in India and many other countries, as part of the CSR the organization was started separate wing named as Dr Reddy s Foundation, the main activities includes **Life, Learning (education) and Livelihoods (Skill Development)** Today the majority of youth facing a serious problem i.e. **skill Gap, keeping this urgency the Orgnization conducting skill development training**, keeping the greater importance the researcher has been selected this case study, mainly focused on Livelihoods (skill Development) .

OBJECTIVE OF THE STUDY

- 1) to study the concept of Corporate Social Responsibility in general,
- 2) to examine the Corporate Social Responsibility (CSR) activities, (skill Development) and its impact on society, and
- 3) to offer the pragmatic recommendations to improve the Quality of CSR activities in Sample organization based on the finds of the study

RESEARCH METHODOLOGY

The study engages both primary and secondary data, Primary data was collected from the knowledgeable and potential respondents, in Vijayawada, The size of the sample was taken 95 at random. A questionnaire has been designed using 30 statements, which is related to organization of skill development training and its impact on beneficiaries. Besides this, many secondary sources have been used for supplementary purpose. Secondary sources include Company websites, audit reports annual reports, and prior research reports and papers of corporate social responsibility.

DISCUSSION AND RESULTS

Table 1. Demographic Profile of sample respondents

Demographic Factors			
		No. of respondents	In Percentage
Gender	Male	60	63.2
	Female	35	36.8
	Total	95	100
Age	21-30	29	30.5
	31-40	59	62.1
	41-50	7	7.4
	> 50	0	0
	Total	95	100
Education	SSC	25	26.3
	Inter Pass/fail	30	31.6
	Degree pass/fail	25	26.3
	PG	11	11.5
	Technical	4	4.2
	Total	95	100
Community of respondents	BC	41	43.2
	SC	22	23.2
	ST	2	2.1
	OC	30	31.5
	Total	95	100
Marital status	Married	45	47.4
	Unmarried	39	41
	Divorced	7	7.3
	Widower	4	4.2
	Total	95	100
Income Levels of Respondents	Below 10,000	14	14.8
	10001-20000	35	36.8
	20001-30,000	41	43.1
	30001 and above	5	5.3
	Total	95	100
No. of Family Members	None	0	0
	One	6	6.3
	Two	30	31.6
	Three	24	25.3
	Four and above	35	36.8
	Total	95	100

Source: filed survey

The above table demonstrates the demographic factors of sample respondents. It shows that male respondents are higher than the female respondents in skill development training programme. Majority of respondents in skill development training programme fall in the age group of 31-40, followed by 21-30 age group, and intermediate respondents are higher as

compared to other educational groups. BC community respondents are higher as compared with other community, followed by OC community. Regarding marital status married people are dominating. and respondents with four and more family members are in first place with 35 of out of 95.

Table 2. Indicates the response of the respondents regarding Popular courses in LABS

S. No	Popular Courses	No. Of Respondents	In Percentage
1	CRS	24	25.3
2	ITES	29	30.6
3	BPO	11	11.5
4	Auto Mobile	16	16.8
5	Hospitality	10	10.5
6	Hard Ware	05	5.3
	Total	95	100

Source: field survey

It is evident from the above table regarding the popular course in LABS, it is found from the data that about 30.6 percent of sample respondents stated that ITES is popular course, whereas a meagre 5.3

percent of respondents stated that Hardware is the popular course, it can be concluded from the analysis that ITES is popular course respondents as high as compared to other choice of respondents.

Table 3. Indicates the response of the respondents regarding sufficiency of the duration (3 Months)

S. No	Opinion on Duration	No. Of Respondents	In Percentage
1	Yes	47	49.5
2	No	48	51.5
	Total	95	100

Source: Field survey

The above table demonstrates about the sufficiency of duration of training programme as it is revealed by the respondents 51.5 percent of respondents stated that duration is not sufficient,

whereas 49.5 percent of sample respondents stated that duration is sufficient, it can be concluded from the analysis that duration is not sufficient respondents are greater than duration sufficient respondents.

Table 4. Indicates the response of the respondents regarding satisfaction about the training programme

S. No	Satisfaction / reaching the expectation	No. Of Respondents	In Percentage
1	Satisfied	50	52.6
2	Dissatisfied	40	42.1
3	Neutral	05	5.3
	Total	95	100

Source: filed survey

The above table demonstrates about satisfaction about the training programme it is evident from the data that 52.6 percent of sample respondents stated satisfied with the training programme, whereas 42.1 percent of respondents stated that dissatisfied, a meagre 5.3 percent of respondents stated neutral. It can be concluded from the analysis that satisfied respondents are greater than dissatisfied respondents.

Table 5. Indicates the response of the respondents regarding Useful of the Training for their profession.

S. No	Useful of the training to the profession	No. Of Respondents	In Percentage
1	Useful	90	94.8
2	Not useful	02	2.1
3	Neutral	03	3.1
	Total	95	100

Source: filed survey

The above table demonstrates about the useful of training in their profession it is found that 94.8 percent of sample respondent stated that useful to their profession, whereas 2.1 percent of

respondents stated that not useful. It can be concluded from the analysis that useful respondents are as high as compared to other options.

Table 6. Indicates the response of the respondents regarding suggestions for effective training program

S. No	Suggestions	No. Of Respondents	In Percentage
1	Content	37	38.9
2	Duration	50	52.6
3	Staff	08	8.5
	Total	95	100

Source: filed survey

The above table presents about the suggestions for effective training programme, it is evident from the analysis that majority of respondents stated that duration is has to increased for effective

training, followed by content is needed; whereas 8.5 percent of respondents stated that quality staff was required.

Table 8. Indicates the response regarding type of placement secured after completion of the training programme

S. No	Type of Placement	No. Of Respondents	In Percentage
1	IT Sector	24	25.2
2	Service sector	48	50.5
3	Automobile sector	23	24.3
	Total	95	100

Source : Field survey

The above table demonstrates about the type of placement they secured, it is found that majority of sample respondents 50.5 percent secured in service sector, followed by 24 accounting for 25.2 percent

stated that the placement they secured in IT sector, similarly 24.3 percent they got placement in Automobile sector.

Table 9. Indicates the response of the beneficiaries regarding pattern of Salaries

S. No	Salary per Month	No. Of Respondents	In Percentage
1	0 - 5000	20	21.1
2	5001 - 8000	50	52.7
3	8001 - 10000	15	15.8
4	10001 and above	10	10.4
	Total	95	100

Source: field survey

The above table presents about the salaries of respondents, it is evident from the data majority of sample respondents getting the salaries in the range of 5001-8000, followed by 21.1 percent of

respondents in the salary range of 0-5000, further followed by 8001-10000, where as 10.4 percent of sampler respondents are in the salary range of 10001 and above.

Table 10. Indicates the response of the respondents regarding the extent of salary useful to the family

S. No	Extent of salary useful to family	No. Of Respondents	In Percentage
1	To a large extent	73	76.8
2	To a Some extent	19	20
3	Not at all	2	2.1
4	Can't say	01	1.1
	Total	95	100

Source: field survey

The above table presents about the extent of salary useful to their families, it is evident from the analysis that 76.8 percent of sample respondents stated that the salary useful to the family is to a large extent, followed by 20 percent of respondents stated that to some extent, whereas a meagre 2.1 percent stated that not at all. It can be concluded from the analysis that large extent respondents as high as compare with other options of the respondents.

FINDINGS OF THE STUDY

1. It is found that about 30.6 percent of sample respondents stated that ITES is popular course, whereas a meagre 5.3 percent of respondents stated that Hardware is the popular course, it can be concluded from the analysis that ITES is popular course respondents as high as compared to other choice of respondents.
2. It is found that about 51.5 percent of respondents stated that duration is not sufficient, whereas 49.5 percent of sample respondents stated that duration is sufficient, it can be concluded from the analysis that duration is not sufficient respondents are greater than duration sufficient respondents.
3. It is found from the analysis that about 52.6 percent of sample respondents stated satisfied with the training programme, whereas 42.1 percent of respondents stated that dissatisfied, a meagre 5.3 percent of respondents stated neutral.
4. It is found that 94.8 percent of sample respondent stated that useful to their profession, whereas 2.1 percent of respondents stated that not useful.
5. It is found that majority of respondents stated that duration has to increased for effective training, followed by content is needed; whereas 8.5 percent of respondents stated that quality staff was required.
6. It is found that 50.5 percent secured in service sector, followed by 24 accounting for 25.2 percent stated that the placement they

secured in IT sector, similarly 24.3 percent they got placement in Automobile sector.

7. It is found from the analysis regarding salary range of beneficiaries majority of sample respondents getting the salaries in the range of 5001-8000, followed by 21.1 percent of respondents in the salary range of 0-5000, further followed by 8001-10000, where as 10.4 percent of sampler respondents are in the salary range of 10001 and above.
8. It is found that regarding extent of salary useful to their families, that 76.8 percent of sample respondents stated that the salary useful to the family is to a large extent, followed by 20 percent of respondents stated that to some extent, whereas a meagre 2.1 percent stated that not at all. It can be concluded from the analysis that large extent respondents as high as compare with other options of the respondents

SUGGESTIONS

- 1) As the percentage of SC,ST Beneficiaries was very low, steps should be initiated to improve their percentage in this skill development training programme, The officials of Dr Reddy’s foundation should organize awareness generation camps with the help of SC & ST Corporations, the responsibility to collect the applications should be fixed on those corporations.
- 2) DRF should have a mapout mobilization plans with the help of DRDA (District Rural Development Agency) & MEPMA (Mission for Elimination of Poverty in Municipal Areas) and other Department which are organizing the Skill Development training programme should also organize Awareness Generation Camps for females with the help of Women and Child Welfare Department and Mahila Pranganam and Zilla Samakhya to identify more number of female candidates. The responsibility of identifying

and receiving application should be fixed on the said government agencies

- 3) To improve the more no of trainees' participation in skill development Training programme it is needed to use the media like News papers and SHG's (Self Help Group) for collecting more applications.
- 4) The important problem to be solved is regarding trainees training duration which is the 3 months for skill development, the fact is that as revealed by the participants that the duration is not sufficient to cover the curriculum and practicals hence it is suggested to increase the training duration from 3to 6 months so that the trainees shall have comprehensive training.
- 5) It is found that not less than 48 percent of the respondents participants are not satisfied as they are not up to the expectation. Hence, it is suggested that the present curriculum should be changes and tailor-made to suit the requirements of the participants.

CONCLUSION

. The overall CSR activities of Dr Reddy's functioning of good even some of the beneficiaries are expecting more in terms of training and placement hence the officials CSR department has to take care in terms of organization of training programmes so that beneficiaries will have a comprehensive satisfaction. As it leads to inclusive society. As it results nation development.

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