CSR Challenges by MNC and Stakeholders: A Case of Education

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Abstract

To understand the stakeholder engagement approach and Corporate Social Responsibility (CSR) challenges by MNC and other stakeholders, stakeholder management and sustainable development. Government of India made it compulsory to spend 2% of their net profit on CSR; the organization also has responsibilities toward the welfare of society. A case study is being carried out as a part of this research, for their CSR initiatives related to capability building focused to provide quality education to the children from underprivileged community in one of the higher secondary school under Brihanmumbai Municipal Corporation (BMC), Mumbai. The initiative took by MNC and BMC implicated positive outcomes, through the program students learning ability increased and improvement in their performance, also student's dropout ratio decreases. Thus, opportunities exist in engaging more stakeholders who can help to provide sustainable based solutions to the MNC and other stakeholders, and even help to deal with multitude of problems with a sustainable management.

Keywords: CSR Challenges, Education, Stakeholder Engagement, Sustainable Development.

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Introduction

This involves a study of their CSR practices, approach to stakeholder engagement. To have more inputs on their approach, as per research methodology an interview of MNC CSR executives, Employees and even community beneficiaries are carried out. This study involves localized study in one BMC school in Mumbai. Corporate social responsibility (CSR) is also known as corporate responsibility toward society, and it is also known as Sustainable Responsible Business (SRB) or corporate social performance, which is a form of corporate self-regulation integrated into a business model (Kaur, 2012). CSR is generally seen as the business contribution to sustainable development. Kaur, in the year 2012 has, defined this *as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs",* and is generally understood as focusing on how to achieve the integration of economic, environmental, and social imperatives. The term 'CSR' suggest covering the responsibilities, which companies or corporations have towards the societies within which they are based and operate (Gupta & Khanna, 2011). From a practical perspective, CSR involves a business that identifies their groups of stakeholders and incorporates their needs and values within the strategic and day-to-day decision-making process (ibid). CSR involves multiple stakeholders. Stakeholders are "those groups who are vital to the survival and success of the corporation" or, in a broader sense, "any group or individual who can affect or is affected by the corporation" (Freeman, 2005:115). The stakeholder theory acknowledges, besides shareholders, other entities that have a stake in the corporation, such as management, local community, customers, employees, suppliers and even competitors and government. The main challenge the corporation faces, as implied by the stakeholder theory, is to "keep the relationships among stakeholders in balance" and avoid to "giving primacy to one stakeholder group over another" (Freeman, 2005:118).

Status of Education in BMC Secondary School:

Report of 'State of Municipal Education in Mumbai' by praja.org for the year 2015 provide a detail assessment of status of education in BMC school. Following inference can be derived from

this report:

First, on the status of enrolment, report infer enrolments in schools run by the Municipal Corporation of Greater Mumbai (MCGM)2 have dropped by 40,778 students in the previous five years of assessment, and barring English, enrolments across all other mediums of instruction in MCGM schools have declined in the 2014-15 academic year, as compared to 2013-14. Second, on status of drop out, report indicates-The number of students dropping out from MCGM schools has been steadily increasing over the years, with 13 out of 100 students dropping out in 2014-15 as compared to 4 out of 100 students in 2010-11.Even in English medium, the only medium where enrolments have improved this year, there is a significant drop out of 5.3%.Third, report on MCGM Schools in comparison with other private schools indicates- In the financial year 2014-15 the percentage of MCGM students passing SSC exams was 72% and that of Private schools was 85%. While the percentage of MCGM students passing SSC exams year 2014-15 has improved significantly over last year's 67%, it is still not at par with that of private schools. Fourth, report on student-teacher ratio infers-In 235 municipal schools, the Student Classroom Ratio is higher than that specified under the Right to Education Act that is 30 for primary schools and 35 for upper primary, secondary and higher secondary schools. 80.03% municipal schools are Complying to Teacher Class room Ratio as per RTE Act. In 100 municipal schools, the Pupil Teacher Ratio is higher than that specified under the Right to Education Act i.e. 30 for primary schools and 35 for upper primary, secondary and higher secondary schools. Same survey report findings on reasons for not being happy with Municipal school indicates in Table 1 - Facilities provided to students (46%), Quality of education (44%) and Quality of Teachers (42%) form the three big reasons cited by parents for not being happy with municipal schools.

Table 1: Reasons for Not Being Happy with Municipal School (%)

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2 MCGM is also known as BMC

Reasons	(%)
Facilities provided to students are not very good	46
Quality of education is not very good	44
The teachers are not that good	42
Future scope is very limited	37
Infrastructure facilities of the school are very poor	34
Fees of the school is very high	16
School is located pretty far away from my place	12

Source: Praja report in 2015 on State Municipal Education in Mumbai

MNC and Education in BMC Secondary School:

BMC has initiated digital learning program for its school which aims to increase learning outcome and reduce dropout rate. This involves teaching by virtual classroom or from digital platform. So, that each and every child could remain entitled to good quality training or teaching. This include a teacher seating in centralize location, using digital skills and tools to teach students across most BMC schools. However, reports mention there has been various issues in program which has affected the implementation and outcome. Issues like – unavailability of appropriate infrastructure like internet connection, computers, digital display etc (Bhatkhande, 2017). MNC has studies these issues and deployed its CSR for this cause. MNC has partnered with one charitable foundation and BMC. That foundation focuses on the digital training initiate and has engaged to involve various BMC schools, local communities and Children's in this program. This partnership has resulted in making corporate funds available for developing infrastructure, ensuring its implementation, regular monitoring etc.
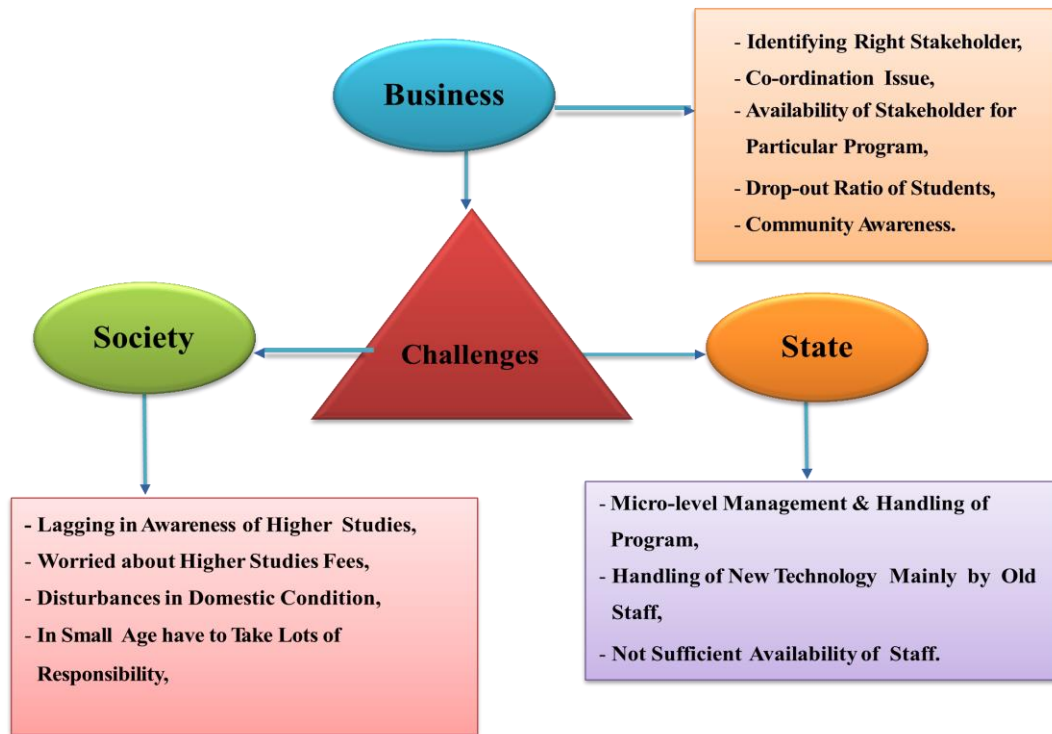
As a part of this research, I have made a case study on one of BMC school, which has lagging infrastructure facilities, even adequate staffs was not available to handle extra burden of implementation and monitoring this program. MNC and that charitable foundation partnership has resulted in developing infrastructure, providing basic facilities like suitable high speed internet connection, LCD screen, and it has recruited three teachers which were paid from the funds of MNC. which ensures implementation and monitoring of programs. They ensure availability of children's, monitors records of student's attendance, ensures basic activities like

operating computers, basic program related software or internet portal handling to ensure smooth running. That foundation with its teachers not only focuses on virtual teaching, but in addition they also work with local community, which involves providing awareness to local's communities and parents. A Individual focused approach has been developed by them – which take care for assessing children's learning, arranging extracurricular activities to attract children's to schools and implementing a motivational programs for children's- which encourages children's to participate in various projects, competition like drawing, painting, sports, debate, dance competition etc. Also, there are few students which are relatively poor and from underprivileged backgrounds. Their school fees are being paid by MNC. They found out students mainly lagging in English, Mathematics and Science subjects. Thus, they have developed a suitable design of curriculums which help attract students to these subjects, remove associated phobia and improve their learning.

Challenges and Stakeholder Management:

Overall challenges face by business, state and society are explained below one by one and also shows schematic representation in below figure

CSR Challenges Faced by MNC: A case of Education

Business

- Identifying Right Stakeholder,
- Co-ordination Issue,
- Availability of Stakeholder for Particular Program,
- Drop-out Ratio of Students,
- Community Awareness.

Society

Challenges

State

- Lagging in Awareness of Higher Studies,
- Worried about Higher Studies Fees,
- Disturbances in Domestic Condition,
- In Small Age have to Take Lots of Responsibility,

- Micro-level Management & Handling of Program,
- Handling of New Technology Mainly by Old Staff,
- Not Sufficient Availability of Staff.

Source: Primary data from field

Business: For digital learning program of MNC, since the many of key stakeholders are formal, thus they have not come across any major problem in deployment and monitoring program. However, their formal stakeholder NGO or Foundation who directly take care for all activities of program deployment and deals with most of its informal stakeholder has faced challenges in initial phase of program implementation, where they need to work a lot on community awareness, awareness to parents and bringing back children's to schools. Although this program does not provide major challenge faced by business, however other CSR programs of MNC. faced problems. Based on response of CSR head, these problems can be listed as co-ordination issues, identifying right stakeholder, availability of stakeholder for particular program etc.

State: BMC authorities understand their responsibility towards the community development, thus they can deploy funds, allocate resource and even direct their working employees to work on their programs such as digital learning. However there exist many challenges in smooth functioning of government programs. Since they are ensuring details at macro level a micro level

management becomes a tough challenge to them, although in this case a school inspector and BMC school teachers can ensure programs functioning. But result indicates a different picture of state program outcome at micro level management and handling. Old staffs with new technology become a challenge to BMC. Even if they conduct a technology awareness training session, there are difficulty in bridging inter-generation gap between needs of next generation and awareness and functioning of old generation. There are other challenges at BMC like ensuring micro level delivery of resources- for example a school which researcher had made her study, did not had a teacher appointed for a long duration.

Society: Based on my case study and interview of parents and students, I come to understand that they are happy with this program and actively participating in it. Since this program is for class VIII, IX and X students, In India Class X outcome are recognized to define future career path, most student responded that -'They would like to go for further studies in Medicine and Engineering, where they are lagging awareness of how to go for it, what kind of steps they should now take in which can ensure better medical and engineering future for them.' In another response, one of student said-' Now my fees is being paid by MNC, however I am more than worried about who will pay my fees when I go for higher studies.' These responses suggest that children from deprived society are more than willing to engage in any such activity where they see fruits of benefits are enjoyed by them. However they do not want to have a limited engagement, They are more futuristic, worried regarding their future and seeking for long term support which can help them not only chose better opportunities but also ensure better career path. There are few students who are facing problems in their homes, Problems like elder child need to look after a younger one when their parents go for job and earning. Also their domestic living conditions are of such standards where they had to face day to day challenges which divert focus of students from their studies. Disturbances in their domestic living condition do not help them to focus on studies at home. Thus one of the students said –

> *"After this class, I would love to go back home and revise my learning,*
> *which can help me provide better conceptual understanding, but I can't,*
> *because my father work as a street vendor and my mother washes cloths of*
> *others at home, so I have to take lots of responsibility of my home, when*

> *they went for work, this distract me to focus on my study, most of my time*
> *went in that only".*

These responses suggested that community is more than willing to engage in their upliftment program. However, they are for longer term provisions, as well as holistic mechanism to ensure better results.

Implication of the Study:

Business: MNC is being a part of considerably old business group. They had achieved a maturity in dealing, identifying, and getting work done through their stakeholders such as NGOs. Since MNC has already defined its CSR policy to work with Government, and even working with State missionaries since a long duration. They did develop repute wherein they do not face a major challenge in dealing with State authorities irrespective of any government. Based on the response of CSR head -'MoU is done before the start of projects, so as per MoU it is expected that, everyone should co-ordinate. However sometimes few of the NGOs lag to deliver this expectation, in such a case we cut their further funding and reissue funds once results are ensured, else we terminate contract or find other NGOs who is working respective CSR activity'.

State: As mentioned above BMC has various challenges and sometime might take a longer duration to manage it. For example it takes a very long time for a state to remove intergeneration gap between their staffs and Students. Thus, a model based on public-private-partnership is a better solution. In this case most of the gaps in state implementation are being taken care by MNC and stakeholder of Foundation.

Society: As mentioned above society is ready to engage and expecting longer term and holistic solution to deal with multiplicity of problems and not to look it from a singular lens. Thus their needs efforts both from State authorities, local NGOs to develop another supportive mechanism which can deal with multitude of problem. Here in this case there need a directive support from State and Business to define and secure career path of Students. Also there is need for development of infrastructure where Student can come and study apart from their regular schooling hours.

Innovative Engagement and Sustainable Development:

MNC multi-stakeholder partnership and usage of technology like E-learning program help them achieve better CSR outcome. Working on government initiative help them make Government as a key stakeholder, this helps ensure smooth functioning of program. If they feel any issues in implementing for MNC, Govt. being a stakeholder, they can take easy help from Government. In other programs of them like program for Employability, Skill Development, Environment protection etc. too run on similar fashion. For many programs, they are partner with Government; also they are parts of various Government and Non-Government bodies and working groups related to climate change, policy making, environment protection etc. This engagement help them not only direct a policy outcome, but also keep them updates with future needs. Such an engagement provides a future looking lens of contemporary problems and helps them to pre align their business decision as per the need of the future.

In various cases they had implemented technological solutions, like design and usage of efficient technology to reduce their carbon footprints, development solutions for community problems on scared and critical resources such as water, and many other solutions too. In this program of e-learning, there is also a need to engage society to provide holistic and longer term solutions to their problems. This program being in its initial phases they are currently working to streamline the same program. Regarding other areas where engagement is requiring, it expected to become part of their CSR policy once the level of stability is achieved in current e-learning program. Where as in other their initiative at business level and other CSR related activities, they had initiated working based on sustainability standards. Their community development program in the vicinity of their manufacturing location identifies water as a scares and critical resource. Thus, they have developed a multipronged approach to deal with issues; this involves usage of efficient technology at their plant location to reduce water wastage, development of watershed in the vicinity of plant by engaging with local community etc.

Where as in other their initiative of sustainability involves multipronged approach at various levels which include engaging with Government, various working groups and bodies dealing with policy making regarding various contemporary problems like Climate change, biodiversity

protection etc. Also, implementation of better management practices like TPM, better quality and safety standards etc. Implementation of waste management practices like reduce, reuse and reconditioning etc. They have also strategized their CSR into various categories based on range of issues communities in their manufacturing location facing which includes categories like Education, Skill Development, Employability, Environment protection, Health, empowerment by affirmative action. Such policy stances diversify their approach and enable them in providing holistic and long term solution.

Conclusion:

MNC being a part of large business group and which possess a nation building as a one of their core principle defining their responsibility towards community at large. The program of digital learning on which I had made a case study, is one of program from their CSR categorized for Education. In this program, they are engaged with multiple stakeholders like BMC, NGO or Foundation and Local Community in which this program is being deployed.

As a part of improvement in dropout ratio, learning outcome BMC has initiated this E-learning program. However, behalf of allocating funds and resources, Newspaper reporting indicates program has suffered to achieve desired outcome. MNC pitched in this phase to support it and allocated its CSR funds, and made BMC as a key stakeholder in this initiative. Other stakeholder includes a NGO or Foundation working for a cause. CSR policy of MNC provides directive to align their CSR not only based on law of lands including provisions in companies' act 2013, but also based on need of the government. In order to better engage they find opportunities to work with government and support themselves in their best capacity in most of the program initiated by Government. This help them not only to develop society, but also provide better engagement with Government – as it becomes a key stakeholder most for most of their program. This ensures other informal outcomes, where in they could get easy support from government authorities for smaller hurdles of implementation and smooth functioning. Government, in this case a BMC gets benefited and supportive initiative from MNC removes lacunas in their program and supports micro level management.

To engage with informal stakeholder, MNC is partnering with NGOs which are working for cause and gained their expertise in field. NGOs or foundation, provide support in various ways like – proving local level supports, proving awareness of local level issues, micro level assessment of local level problems, developing micro level community based differential solution. This help MNC to better engage with society, and also generate their ethical image in society. Researcher found underprivileged deprived society is already motivated to uplift themselves and ready to support such activities, provided program is well managed and they can feel the fruits of benefits of program. I found this being a program focused on improving educational outcome, Students and parents are motivated to support this cause. Student not only gained confidence in subject of their phobia like Mathematics, Science and English but also developed aspiration to study these subjects further. Career options which requires a good fundamental knowledge in these subjects like Engineering and Medical is now becoming a part of their choice. My interview of students supported that there is an improvement in their learning outcome of student and even improved their performance in these subjects.

However, program appears to be singularly directed, and do not deal with multitudes of problems and even does not support for further longer term future problems of individual. As explained earlier in this chapter, current program does not help students to resolve their day to day disturbance like having domestic atmosphere conducive to study, responsibility of students to take care their younger siblings when parents are at work etc. Other problems like – program only supports students till their X standards. I find students who were confident to get into professional education like Medical and Engineering colleges but worried about their financial support in their IX and X standard. Thus, Opportunities exist in engaging more stakeholders which can help provide longer term individual based solutions, and even help deal multitude of problems.

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