



Dr. V. K. Jain, International Journal of Pharmaceutical Sciences and Business Management,

Vol.2 Issue. 6, June- 2014, pg. 32-43

ISSN: 2310-6913

Corporate Social Responsibility- A Case Study

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Abstract

Believe in values is key to success of any business. Society is an important part of the business which not only allows the business to use its resources but also enables it to grow by consuming the products manufactured by it. It is, therefore the responsibility of the business to contribute towards the well-being of the society. Healthcare is one such industry which contributes to the health of the people and tries to minimise the negative impacts on the society as well and works on the principles of social responsibility. Keeping the role of Corporate Responsibility in mind the present study has been undertaken. The study highlights the how one of corporate house of the major healthcare industry- Glaxo Smith Kline (GSK) practises the concept of social responsibility and adds to the well-being of the society. The study is based on the secondary data and the data placed by the company on the web or in its bulletins and reports has been taken up for this purpose. However, the study is extremely significant as it gives insight into the application of the concept of social responsibility by our corporates.

Key Words: Society, Responsibility, Community Development, Ethical Values

Introduction

Every individual, firm, company or a body corporate has its responsibility towards the society. The growth, stability and survival of the business is due to the society. It is, therefore, primary responsibility of every business to contribute in the well-being of the society. Every business must take adequate steps to preserve the balance of nature and save it from pollution, make treatment of harmful effluents and save the society from their dangerous impact on human life. It must contribute to save the culture, spread education, serve the downtrodden, help the differently abled people, save environment, adequate drinking water and such other projects. It must help the government in projects like savage from global warming, rain water harvesting, eradication of diseases etc.

The present study highlights various such aspects. The contribution of one of the major company of Health Care - Glaxo Smith Kline (GSK) has been taken up for the study.



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Objectives of the Study

The study aims at fulfilling the following objectives:

1. The contribution of the company in the field of public health.
2. The research practices of the company.
3. The ethical values of the company.
4. Community Development Programmes of the company

Methodology

For achieving the above mentioned objectives, The data was collected from the website of the company, the annual reports and company bulletins. Information was also collected form the CSR department of the company. The data is theoretical in nature but is quite useful for the study. Further, the study is exploratory in its nature.

Significance of the Study

The study is of great significance as it provides insight as to how the corporate sector is fulfilling its responsibility towards the society and further, what are the projects taken up by the company under study for this purpose?

Analysis and Interpretation

“The company believes that strong values are central to the success of business. They place great importance on what they achieve but also on how they achieve it”.

Since 1970, the Company has been implementing various social responsibility activities apart from statutory ones. Corporate Responsibility for the company means operating in a way that reflects the values of the company, treating its stakeholders with respect and connecting the business decisions to society's healthcare needs. The company makes a valuable contribution to society through its products of medicines, vaccines and consumer healthcare which improve life of the people. The company is fully aware of its role in research and development and the ethical issues connected to its products and R & D. The company has developed its own CR principles to enhance the well-being of the society and reduce its reputational risk as well. The sense of responsibility is fully reflected in the mission statement of the company which states "To lend a helping hand to the underserved in our society through the support of women, children and the aged in the areas of health and education". To fulfil this mission, the company makes investment in health and education programmes and aims to bring sustainable improvements to underserved people.



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For achieving the above objectives the study has been divided into four parts:

1. Contribution to Health Care
2. Contribution to Research and Development
3. Contribution to Ethical Values
4. Contribution to Community Development

1. Contribution to Health Care

The company is committed to maximize its contribution to health by addressing to the needs of patients and healthcare payers and by making their products as widely available as possible. The company has made a wonderful contribution in the area of:

- a) The company believes that **preventing disease** improves health and avoids human suffering. Preventing diseases by producing vaccines used in developed and developing countries. The company is one of the world's largest producer of vaccines and has made a very significant contribution to global health. e.g. Cervical cancer, Chickenpox, Diphtheria, Hepatitis A and B, Influenza (seasonal and H1N1), Measles vaccines, etc.

The company also helps to prevent diseases through their community investment and their over-the-counter products which can help people to reduce their risk of ill health by stopping smoking, losing weight and maintaining good oral health e.g. NiQuitin CQ/NicoDerm, Aquafresh, Sensodyne, etc. Its community investment projects also focus on disease prevention, including their support for the Global Alliance to Eliminate Lymphatic Filariasis, and their PHASE hand-washing programme.

- b) The company creates **Disease awareness** by working with patient groups and running campaigns to raise awareness about disease. Raising awareness about disease can have a positive impact on public health and creates commercial benefits for the company. The company lead the awareness campaign for dengue awareness in 2009 in India. Besides, the company has lead various campaigns in other countries also.
- c) Many products of the company help in **treating the ill-health** i.e. diseases which place a high burden on society. Its medicines, vaccines and consumer healthcare products help to treat and prevent serious disease. Its products including Anti-bacterials (antibiotics) and anti-malarials treat infections, malaria; Anti-virals help to cure HIV/AIDS, herpes, hepatitis B, influenza; Cardiovascular help to care heart failure, hypertension, deep vein



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thrombosis; Central nervous system relating products treat migraine, epilepsy, anxiety, depression, Parkinson's disease, smoking cessation, anaesthesia, analgesia, anti-emetics; Dermatology cure eczema, dermatitis, psoriasis. Many of its products help to cure most vulnerable diseases like cancer, asthma and diabetes.

- d) The company is fully aware of the needs of the patients around the world and tries to provide medicines and vaccines at affordable prices depending on the poverty and income levels, coverage and quality of healthcare infrastructure, political commitment and resources allocated to healthcare. To extend access to medicines to less well-off sectors of society, the company is pursuing a number of pricing strategies, refocusing their R&D activities and seeking innovative partnerships to try and reach people who would otherwise not have access to their products.

2. Contribution to Research and Development

The company is committed to focusing on the patient in everything that they do. The R&D pipeline of the company is central to their ability to meet patients' needs. The company contributes to R&D in the following manner:

- a) It maintains high ethical standards in R&D which ensure the quality of their research, and maximise the benefits and minimise the risks of its medicines and vaccines. Further, high ethical standards are also essential to obtain regulatory approval for new medicines, and for patients and doctors to put their trust in their research programmes and products.
- b) To diversify and grow their global business and deliver more products of value, the company is expanding itself in the emerging markets, buying new businesses and collaborating with more organisations. But at the same time the company applies the same high standards in its R&D.
- c) The company continuously evaluates the risks and benefits of their medicines at every stage, from initial research through to clinical trials and then after a new product is approved for sale. It uses a number of reporting channels so that those who evaluate the efficacy and safety of their medicines
- d) As part of their commitment to understand patient needs and to develop better medicines they have a programme of activities where the company invites the patients to discuss their conditions with its research teams. The



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company also participates in discussions on research practices with academic scientists, regulators, policy makers and other stakeholders on related issues.

3. Contribution to Ethical Values

As a premier pharmaceutical company in the country, it is committed to creating a strong ethical culture. The core value of the company is to be a good corporate citizen. It is committed to the communities in which it works. It supports the community through charitable initiatives and serves it by:

- a. Being proactive in improving the environment
- b. Participating and contributing actively for Tribal Welfare

The initiatives of the company are primarily focused towards women, children and the aged and are directed in the areas of Health and Education. The company believes that if there is proper education, one will eventually learn to be hygienic, and if one is hygienic, will one remain healthy. The organization facilitates in educating masses on good practices of healthy living.

The company is committed to create a strong ethical culture by developing strong policies, recruiting the right people and equipping them with the information they need to make ethical decisions. Putting patients first is the core principle of being an ethical pharmaceutical company. Failure to uphold ethical conduct carries significant business risk in terms of erosion of trust in GSK and its products, fines and litigation resulting in serious financial or legal consequences and loss of goodwill of the company.

Their Code of Conduct sets out fundamental standards for all employees which emphasise to show respect for people, commitment to transparency and patient focused. It is supported by the Employee Guide to Business Conduct which helps employees make ethical decisions.

The company's environment, health, safety and sustainability (EHSS) vision is to achieve sustainable competitive business advantage and environmental sustainability through leadership and excellence. Their strategy of the company is to begin by embedding the environmental fundamentals such as energy management and waste reduction to eliminate adverse impacts from their operations and to embrace sustainability in all of its businesses, developing a culture of product stewardship and sustainable resource use. The strategy also requires transparency, making sure we inform stakeholders of our actions and our results.



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This revised policy of the company which was adopted in 2008 states that “The company will be leaders in EHSS performance, protecting the environment and the communities in which it works and enabling healthy motivated employees to be fully engaged with its success. It will maintain a culture of continuous improvement”

The company has an army of over 90,000 people as its workforce spread 114 countries across the world. Their goal is that the GSK be recognised as an employer of choice through how they value and empower their people within its workplace culture.

The company values its people through a commitment to good employment practices, including an inclusive and diverse workplace, and robust programmes for employee development, change management, employee communication, reward and recognition, and health and safety. Their employment policies apply to everyone who works at GSK and all employees are expected to understand and adhere to the principles outlined in the Spirit of GSK, which defines its mission, strategies, values and behaviours. The company believes in the strength of its workforce and trusts them to do their job by using good judgment within a clearly defined and understood framework of responsibility. It expects people to demonstrate the highest level of integrity, having clarity on their role, and ensuring they are accountable for their decisions. Managers are to provide clear direction, support and advice.

4. Contribution to Community Development

Community development brings in long-term business benefits to the company as it helps the company in improving the reputation, boosting employee morale and helping to build good relations with governments. The company donates money, time, medicines and equipment to support communities around the world. It does not use community investment as a way of generating sales.

The community development programmes are long term and focus on addressing healthcare challenges and increasing access to medicines. The company invests large sum of money in improving education and provide support for art and environment initiatives.

To strengthen healthcare infrastructure and help widen access to essential medicines in Least Developed Countries (LDCs), in 2009, the company committed to reinvest



20 per cent of their profits from the sales of their medicines form these countries, back into projects. Most of the investment is made through non-profit organisations that are expert in healthcare and education as they are best placed to understand local community needs and to target resources effectively.

CSR Initiatives of GSK India

The company has taken up large number of projects in India as a part of its social responsibility. GSK India undertakes a number of Rural Development initiatives through its trust GRAMIN AAROGYA VIKAS SANSTHA (GAVS), a Rural Health Development Organization. GAVS is a registered public charitable trust established and promoted by the heritage company Glaxo India in April 1997. Some of these projects are highlighted as under:

Tribal welfare projects

As a part of its Rural Tribal Development mission, GAVS collected primary data from 92 villages in Peth Tehsil near Nashik in the year 2005. The tribal population in Nashik is about 10% of the total Tribal population (7.4 million) in the state of Maharashtra. Most of these groups remain isolated, have poor health status and are ignorant about health issues. Inaccessibility, low literacy level, absence of any NGO and paucity of basic healthcare facilities characterize these villages. Based on the data analysis, a few clusters of villages were identified for providing basic healthcare facilities for a year as a pilot project in the year 2005. Initially 15 Tribal villages were taken up and later more and more villages were added to provide healthcare facility to these villages. Social workers and Healthcare Workers from the local villages are helping in implementing the project at the grassroots level. Over 30000 villagers are benefited by this healthcare initiative directly or indirectly.

Vocational Training Centres

As a part of its community development programme the GAVS – Trust created by the company has developed Vocational Training Centres in Peth Taluka in collaboration with Mumbai based organization, Kherwadi Social Welfare Association. The project aimed at imparting specialized skills in the areas of computer literacy, tailoring, beauty training, wireman/ electrician training, increased agriculture productivity, motor training, nursing assistance training etc. Over 700 youths have been trained and a number of them are currently gainfully employed.

Shelter Homes for Children

In 2008, the company in collaboration with Pratham, a NGO, started a Shelter home for children under the age of 16 in Behraich, Lucknow, which sends highest



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children to other regions in the country. The project aims at prevention child labor and anti- social elements. This project supports 80 children by providing them education, food and shelter in addition to psycho-social support.

The Company supported another programme “Residential Shelter Home for Boys”, on similar lines in association with NGO partner, Pratham in Jodhpur. The programme aims at providing formal education to 50 vulnerable boys of the area along with teaching them basic computer and encouraging extracurricular activities for attitudinal and behavioural changes.

Healthcare project

In 2009, GSK India has extended its support to The Institute for Indian Mother & Child (IIMC) a non-governmental voluntary organization, committed to promote child & maternal health and literacy. IIMC was set up in 1989 to give support to the medical needs of the poorest and most backward people of West Bengal who have no access to basic healthcare and medical facilities. To combat the educational and healthcare system for the marginalized people from rural areas, IIMC devised multiple medical and health programs for holistic development of women and children. It runs two Residential Child Care Indoor Maternity Centers consisting of 20 Beds each and five outdoor Sub-Centers at different places.

The medical centers provide primary healthcare services at very subsidized rates to about 1, 20,000 patients coming from remote villages. Every year, about 2000 severely malnourished children are admitted and treated at the Indoor Centers. These children are not only provided medical facilities, but are also supported with nutritional supplements on a regular basis. It also runs many other programmes including micro surgery- cleft lip and cleft palate & other minor operation, emergency & ambulance services, low cost nutrition diet to the child, family planning programme, awareness to the patients, pathological test lab., immunization, nursing intervention, X-ray service, contraceptive material, medical camp and school health check-up camp.

The company provides financial support to IIMC as its commitment to the medical needs of the lesser privileged section of the society.

Medical Support to the Aged

The Company has also backed one more long-term project run by Institute of Health Sciences & Margdarsi, a non-profit organisation for providing medical support to the aged in the remote and under developed Khurda district of Orissa. The community development activities under the programme included Geriatric hearing cases in collaboration with Age Care Association; school screening



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programme for different disabling conditions requiring early intervention; free consultancy and counselling programme; free Speech Therapy Camps with the support of Rotary Club.

The company on the basis of survey of village Mendhasal found the need of supporting a large number of disabled geriatric population of this area which has poor public transport system and inadequate health facilities. It would affect the society if not treated with professional care. The company came with a helping hand to about 14,000 underserved villagers suffering from debilitating diseases, especially orthopaedic conditions and helping in their rehabilitation.

In the urban areas also, the company initiated a project in association with a NGO for senior citizens, Dignity Foundation in 2010, for supporting the geriatric population. The company in Mumbai alone supported over a 1000 senior citizen volunteers in age from 50 to 100+ years to participate actively in the services provided by the Foundation.

Nanhi Kali – A program for education of the girl child

Research shows that girls' education plays a crucial role in alleviating poverty but in a country like ours, typically, girls receive less education as compared to boys because of the perceived and actual costs of girls schooling on households. It is for this reason that the Nanhi Kali project was set up in 1996. The K.C. Mahindra Education Trust and Naandi Foundation jointly manage the project. It provides 10 years of quality education to disadvantaged girl children across the country. Currently, they reach out to over 53,000 Nanhi Kalis across the country.

GSK India has undertaken this project in Kanker district of Chhattisgarh where 60% of the population is tribal and education, particularly girls' education is the least important. The company supports quality education of 1000 girls under this project that provides material support consisting of an educational kit with uniforms, stationery and personal hygiene material. It reduces the hidden cost of educating girls and the parents are favourably inclined towards their daughters' education in the long run. The company has established Academic Support Centers in 150 villages, through which children of primary school would get 2/3 hours extra academic support before or after school hours in government schools of Chhattisgarh. On the basis of quarterly assessment incentives to best performing children are given. Besides, the company provides social support by strengthening Village Education Committees. The committees conduct monthly meetings with the community and parents.



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Project for early detection of Cancer

The Company has backed the novel initiative of supporting patients at the grass root level in the area of early detection and prevention of cancer by Bhaktivedanta Hospital. The company renders support to hold the camps at the various sites spread across rural Maharashtra, especially in the Thane district. The area of focus is primarily those where services of cancer surgeons / oncology specialists are not available. Primary prevention, identification / treatment and education are seen as the most cost effective program, since it aims to reduce the incidence of cancer by risk factor modification (like anti-tobacco campaign, etc.)

Primary Healthcare Centre in garbage dumping ground

GSK India runs a medical centre that provides primary healthcare facilities and quality health education to the children who are rag pickers and their families who work in and around the dumping. The centre established in 200-hectare garbage dumping ground at Deonar, the biggest dumping ground in Mumbai is working in collaboration with Niramaya Health Foundation. It was found that in addition to the basically unhygienic environment, children in the age group of 5 to 14 were exposed to waste substances like used needles, syringes, medical equipments, un-segregated garbage, etc. Due to these conditions there were frequent injuries and long term infections like respiratory problems and skin diseases. They generally suffer from malnutrition, fever, TB and other related diseases. The problems and health issues in this area were largely neglected; hence the Company stepped in and decided to support this cause.

The company supports Niramaya to improve the quality of their life by comprehensive health care programme. The programme has helped more than 4000 people in reduction in anemia/ nutritional deficiencies/ ailments and creation of a cadre of peer educators. Besides, regular camps for immunization, eye camps and Hb estimation camps are conducted.

Mid-day Meal project

The company has been supporting the Mid-day meal program implemented by ISKCON Food Relief Foundation for Municipal school students. The program is an initiative run by the Government of India with twin objectives of enhancing levels of attendance in these schools and providing them nutritious meals. This is an on-going project which currently supports three schools and around 3000 students in Mumbai. This project has visibly shown good results in terms of increase in attendance and improvement in health standards.



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Services for mentally challenged children

The company gives cash donation to Aashirwad School for mentally challenged children at Delhi to run its day to day activities.

Learning Disabilities Outreach Program

The company in collaboration with Life Trust - a charitable trust which is working with a mission of improving quality of education is addressing to the problems of a large number of school dropouts from many Municipal Schools in Mumbai.

The Life Trust established the Life Center for learning disabilities in collaboration with Nair Hospital. GSK is providing financial assistance to the centre which in the past two years, has registered and tested over 5,000 students, out of which 925 have been put through the process of remediation and 1600 municipal schoolteachers have undergone training on learning disabilities.

Neonatal Intensive Care Unit

In 2009, GSK India supported the Institute of Child Health a 50 year old Non-Government organization with its headquarters in Kolkata. ICH is a children's Hospital and includes preventive and curative care for children. It offers medical and surgical services to the ailing, and especially, the underprivileged children of the society. In February 2008, ICH has established a fully equipped Level III NICU (Neonatal Intensive Care Unit) unit. Besides, level II care NICU admits more sick children due to availability of modern gadgets essential for survival of high risk neonates. The Neonatal mortality rate also came down from 18 (15.4%) to 14 (8.7%).

GSK supported ICH in May 2009, by way of Cash donation to set up a technically sound NICU step down Unit for the Hospital.

Underprivileged Patients with Kidney Failure

In May 2009, GSK India supported TANKER, a non-profit registered Charitable Trust founded on June 30th 1993 with the purpose of helping underprivileged patients with kidney failure. The foundation offers dialysis at very subsidized rates to the patients who come from very remote areas such as Arakonam, Villivakkam, and Thiruvallore just to have their dialyses and lead a healthy life. Most of the patients are elderly people, single mothers and widows. The organization also covers the cost of transplantation and medication. GSK supported Tanker by way of cash donation to help them buy a dialyses unit.



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H1N1 Awareness Campaign

GSK India also took active steps by collaborating with the Mumbai Municipal Corporation in spreading awareness of swine flu. Promotional initiatives taken for this purpose included release of advertisements, creation of bus panels, posters, etc amongst other initiatives.

Conclusion

The study has highlighted the contribution of the company in the field of public health, research and development and community development. It has also given a broad view of the ethical values of the company. As such it has fulfilled its basic objectives. The company seems to meet its responsibility towards the society. Besides meeting the needs of primary health of the society, it cares for the underprivileged, undernourished and poor sections of the society. The company also supports the NGOs and other social organizations engaged in the field of community development. It can be concluded that the company is fully aware of its social responsibility and invests in community development.

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