

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES  
TOWARDS EDUCATION: A CASE STUDY OF IRCON  
INTERNATIONAL LIMITED**

Ms. Babli Roy  
Dr. (Mrs.) Jessie George

***Abstract***

*Ircon International Limited is a public sector unit incorporated by the Central Government, Ministry of Railways. The Company was established on 28th April, 1976 under the Companies Act, 1956. IRCON views itself a socially responsible and accountable corporate citizen. Starting from fulfilling social obligation, to peripheral development, the Company now performs structured CSR activities. It does a lot of work for the betterment of society. The present paper highlights the corporate social responsibility initiatives of the Company, especially towards education in Patna region. It also draws attention towards amount spent on education activities by the Company under corporate social responsibility. The researcher used checklist, interview schedule and other secondary sources such as company's website, pamphlets etc. to collect the data. Finally, the paper evaluates the usefulness of education activities for the beneficiaries.*

**Key words:** Corporate social responsibility, education, Ircon International Limited, beneficiaries

**INTRODUCTION**

Ircon International Limited is a public sector unit incorporated by the Central Government, Ministry of Railways. The Company was established on 28<sup>th</sup> April, 1976 under the Companies Act, 1956. It was registered originally with the name Indian Railway Construction Company Limited. The Company was set up primarily for the construction of railway projects in India and abroad. Gradually it diversified into other infrastructure projects and expanded scope of operations across the globe. So, the name of the Company was changed to Ircon International Limited with effect from 17<sup>th</sup> October, 1995. The Company is known for undertaking challenging projects especially in difficult landscape in India and abroad. Till date, it has

completed over 1650 infrastructure projects in India and over 900 projects around the world in more than 31 countries. (Wikipedia, 2020, May 09).

### **Company Operations**

The core competence of the Company is in railways, highways and extra high tension substation (engineering and construction). It is specialized in rail lines, conversion of existing lines, station building, bridges, tunnels, telecommunication, railway electrification, wet leasing of locomotives, highways, extra high voltage sub-station and metro rail.

The domestic operational profile of the Company includes projects like rail coach factory at Rae Bareli, Uttar Pradesh, road over bridges in Rajasthan and Bihar, Dharam Qazigund rail line project, Sivok-Rangpo rail line project, two rail link projects between Jayanagar (India) to Bijalpur (Nepal) and Jogbani (Bihar) India to Biratnagar (Nepal). The Company has also under taken railway doubling projects in East Central Railway and West Central Railway of 470km. and two highway projects of National Highway Authority of India. Ircon has 5 subsidiary and 6 joint venture companies in India. In international arena, presently, the Company is executing projects in Bangladesh, South Africa and Algeria (Ircon, 2020).

### **Meaning of Corporate Social Responsibility (CSR)**

Corporate social responsibility (CSR) can be understood in terms of ethical practices adopted by the corporate houses which they incorporate in their business operations in order to bring an overall positive impact on the society. It is essentially a concept whereby companies integrate social and environmental concerns in their business and in their interaction with their stakeholders on a voluntary basis (Commission of the European Communities, 2001). As per Dahlsrud (2008), CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Business dictionary (2009) defines CSR as 'a

company's sense of responsibility towards the community and environment (both ecological and social) in which it operates'. It is a commitment to improve community well-being through discretionary business practices and contribution of corporate resources (Kotler & Lee, 2005). The World Business Council for Sustainable Development (2002) defines CSR as 'the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large' (p. 3).

### **Objectives**

The objectives of the study are:

1. To find whether the corporate social responsibility (CSR) initiatives undertaken by Ircon International Limited for advancement of education in Patna region.
2. To assess the amount spent by the company on education CSR activities of Patna region.
3. To find whether the outcomes of education CSR activities for surrounding community.
4. To suggest opportunities in CSR activities to enhance local level education.

### **IRCON's CSR Activities for Advancement of Education**

The Company believes that education is the foundation of development for any society. Investment in education can bring positive change in future generations. As a part of a mission to enhance educational infrastructure in the rural areas of the country, the Company has taken up many projects under CSR. In Patna region, it is engaged in construction of sanitized toilets in government schools and providing assistive devices to special children.

| <b>S.No.</b> | <b>Area</b>               | <b>Project</b>   |
|--------------|---------------------------|--|
| 1.           | Sanitation Infrastructure | Construction of toilets in government schools of Patna                                       |
| 2.           | Special Education         | Providing hearing aids and other tools to specially abled children of Umang Bal Vikas, Patna |

The details of education CSR projects of the Company in Patna region are given below.

### **Sanitation Infrastructure**

**Construction of Sanitized Toilets in Government Schools of Patna** – In the financial year 2015-16, the Company constructed 30 toilets in 8 government schools of different blocks of Patna district. The project targeted marginalized and underprivileged children studying in government schools of rural and urban areas of Patna. Altogether, 10 schools were taken up for the project. Out of 10 schools, two were landless. Therefore, the fund was transferred to the Bihar Education Project Council (BEPC) for construction of 4 toilets in two landless schools. Separate toilets and urinals for boys and girls were set up to ensure sustainable sanitation facilities for students.

### **Special Education**

**Providing Hearing Aids and Other Tools to Special Children of Umang Bal Vikas, Patna** – In the financial year 2019-20, IRCON provided hearing aids and other tools to the special children of Umang Bal Vikas, Fair Field Colony, Patna. Umang Bal Vikas is a residential training institute for special children. It was established by Mr. Satish Kumar, Rehabilitation Professional and now, the General Secretary of the Institute in the year 1998. It took legal shape on 2<sup>nd</sup> January, 2003. The institute is registered under the Society Registration Act XXI of 1860. Major focus of the institute is to serve hearing impaired, physically and mentally challenged children. The institute provide training and education to such children for their rehabilitation, so that they get respect in society and family. Providing hearing aids and other tools helped the children to get

training and education effectively.

### Spending towards Education CSR Activities

IRCON commits itself for the growth model which is sustainable in the long run. On its journey towards social commitments, IRCON strives to add value to the society. The Company spends significant amount for its CSR activities. In Patna region, it constructed toilets in government schools and provided assistive devices to the special children. The details of the amount invested are as follows:

| Sr. No. | Name of the Organization and Place  | Year    | Amount in (Lakhs) | Purpose   |
|---------|---|---------|-------------------|---|
| 1.      | Primary School Gulmahiya Bag, Fatuha  | 2015-16 | 20.33             | Setting up sanitized toilets  |
|         | Primary School Murajpur, Fatuha   |         |                   | separately for boys and girls.  |
|         | Primary School Saidanpur Ghera, Fatuha*   |         |                   | *Two schools were landless. So, the fund was transferred to the Bihar Education Project Council (BEPC) for construction of 4 toilets in two landless schools. |
|         | Uchchha Madhyamik School, Dariyapur, Fatua  |         |                   |   |
|         | Primary School Lashkarichak, Fatuha*  |         |                   |   |
|         | High School Sadisopur, Bihta  |         |                   |   |
|         | High School Salimpur, Bakhtiyarpur  |         |                   |   |
|         | High School Karjan, Suryapur, Athmalgola  |         |                   |   |
|         | Uchchha Madhyamik Vidyalaya, Phulwarisharif   |         |                   |   |
|         | Sri Nand Keshwar High School, Bahrapur, Dhanarua                                      |         |                   |   |
| 2.      | Umang Bal Vikas, Residential Training Institute, Fair Field Colony, Digha Ghat, Patna | 2019-20 | 2.23              | Provided hearing aids and other tools for special children  |

The above table shows that IRCON invested large amount for the advancement of education in Patna region. It mainly focused on marginalized, underprivileged and special children of the society. The Company provided assistance to different organizations in different financial years.

In 2015-16, IRCON invested 20.33 lakhs for setting up sanitized toilets in 10 government schools of Patna. Out of 10 schools, 4 were of primary level and 6 were high schools. The schools are situated in Fatuha, Bihta, Bakhtiyarpur, Athmalgola, Phulwarishariff and Dhanarua blocks of Patna district. In each school, separate toilets were made for boys and girls.

In 2019-20, the Company provided hearing aids and other tools of 2.23 lakhs to special children of Umang Bal Vikas, Residential Training Institute, Fair Field Colony, Digha Ghat, Patna.

### **Outcome of Education CSR Activities for Surrounding Community**

It becomes imperative to understand the benefits of education CSR activities for the surrounding community, so that the effectiveness of utilization of funds can be evaluated. The assessment also facilitates better planning and execution of further projects. The researcher conducted interview for the beneficiaries to know the outcome of education CSR projects of IRCON in Patna region. Altogether 26 beneficiaries were interviewed from 4 different organizations.

#### **Details of the Respondents**

| S. No. | Name of the Organization   | Respondents       | No. of Respondents |
|--------|--|-------------------|--------------------|
| 1.     | Primary School Gulmahiya Bag, Fatuha                                       | Principal         | 1                  |
|        |  | Teacher           | 3                  |
|        |  | Student           | 4                  |
| 2.     | High School Sadisopur, Bihta   | Principal         | 1                  |
|        |  | Teacher           | 3                  |
|        |  | Student           | 4                  |
| 3.     | Uchchha Madhyamik Vidyalaya, Phulwarisharif                                | Principal         | 1                  |
|        |  | Teacher           | 3                  |
|        |  | Student           | 4                  |
| 4.     | Umang Bal Vikas, Residential Training Institute, Fair Field Colony, Patna. | General Secretary | 1                  |
|        |  | Coordinator       | 1                  |
| Total  |  |                   | 26                 |

The analysis of the interview schedule is presented below according to the interview questions. The respondents were given a code. Their responses were presented with the help of word tree map, which is made using Mindmaster Software. Similar types of responses are grouped and numbered. Dissimilar response is also kept in continuation and numbered. A brief summary and comment is presented after each word tree map.

### *Respondents' Coding*

Principal = P, Teacher = T, Student = S, General Secretary = GS and Coordinator = C.  
The numbers preceding each letter refer to the number ascribed to the respondents.  
Three Principals were ascribed P1, P2 and P3. 12 students were numbered 1 to 12 and so on.

### *Q: Usefulness of the Activities*

The word tree map in figure 1 indicates that the education CSR activities performed by the Company are very useful for the beneficiaries. They counted many usefulness of activities. (1) 6.5% responses showed that activities fulfill the child rights and their fundamental needs. (2) 25.8% responses were about clean school environment, surrounding and adequate sanitation facility. (3) 9.6% responses were about mixed reactions like motivation for parents and improved infrastructure. (4) 19.5% responses resulted to proper development, healthy growth, reduced diseases and infection. (5) 38.7% responses were about students' motivation, effective learning, better results, increased enrolment, regularity, safety, happiness, cheerfulness and satisfaction.

*Comment:* It can be said that the education CSR activities are helping the beneficiaries a lot. These activities not only provide better sanitation facilities but help to maintain clean environment all around. Students feel safe and protected to come to school. Their parents also get motivated. Thus, enrolment, attendance and regularity have improved.

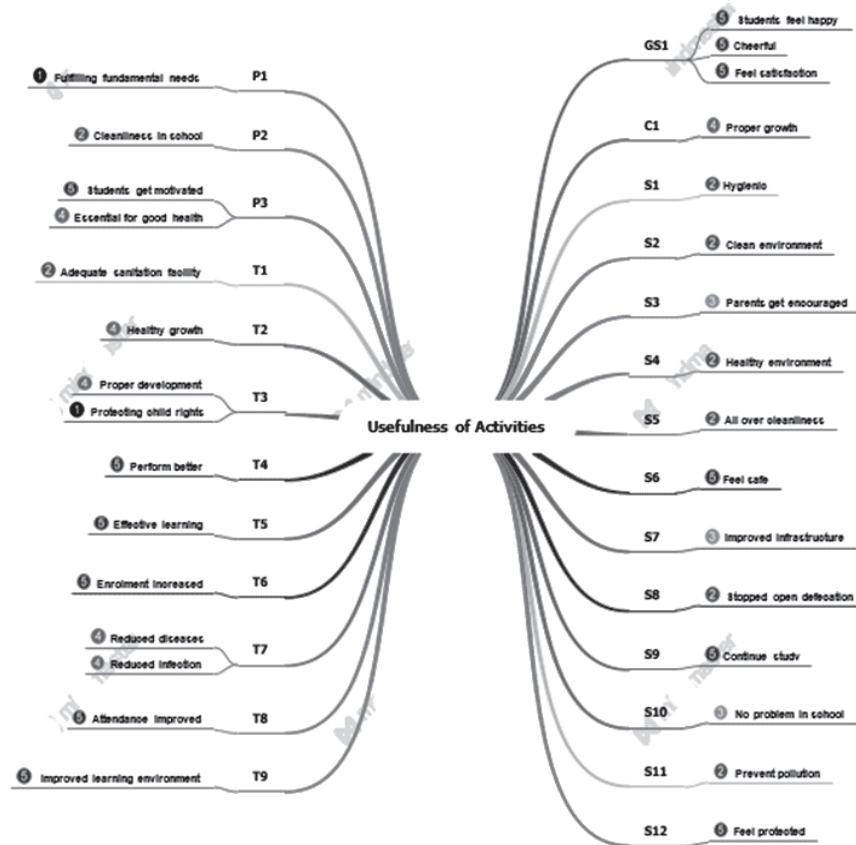


Figure 1: Word Tree Map

**Q: Challenges in Receiving Support**

The word tree map in figure 2 reflects that (1) 25% responses were about fund related challenges such as limited and insufficient funds. They are for particular areas. The Company doesn't spend beyond those areas. (2) 14% responses were about unsuitable time and long duration of construction work. Due to construction work children did not get time to play. (3) 25% responses reported for lengthy paper work, red tapism, communication problem, improper planning and difference in working style. The percentage of responses is same i.e. 17.8% which reported cleaning of (4) waste material related problem and (5) space related problem.



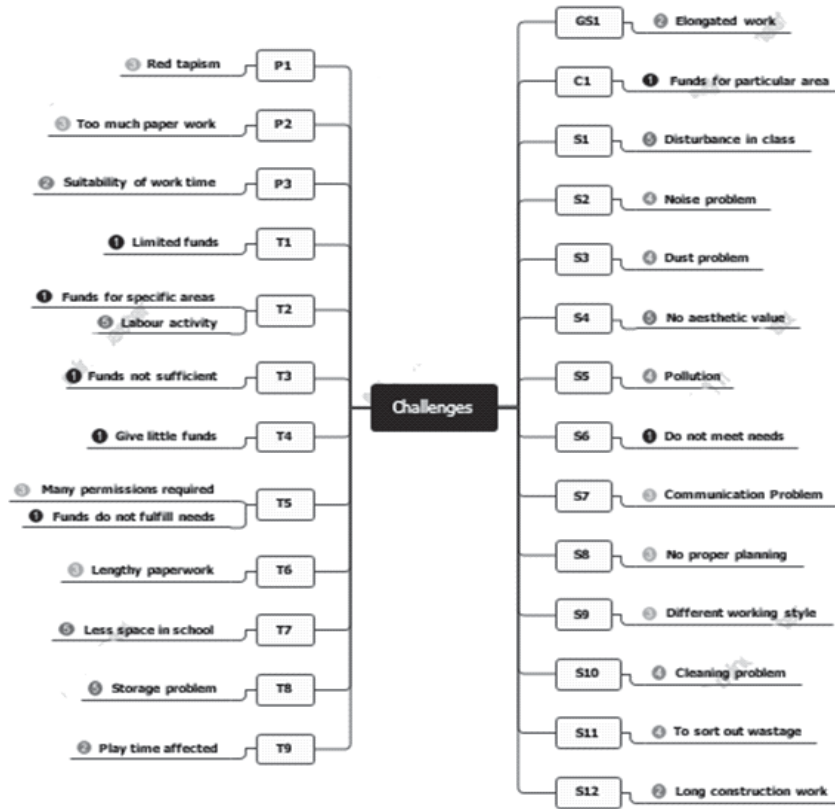


Figure 2: Word Tree Map

*Comment:* It can be seen that beneficiaries face some challenges while taking help from the Company. They face fund, space, cleaning, paper work and time related problems.

***Q: Company's Motivation to Support the Organizations***

The word tree map in figure 3 depicts the responses of beneficiaries about company's motivation towards education CSR activity. (1) 19% responses were about company ideology and company policy. (2) 26.9% responses show that company do these activities for social work, charity and company development. (3) 53.8% responses were about publicity, market competition, attract consumers, gain popularity and to develop local connection.

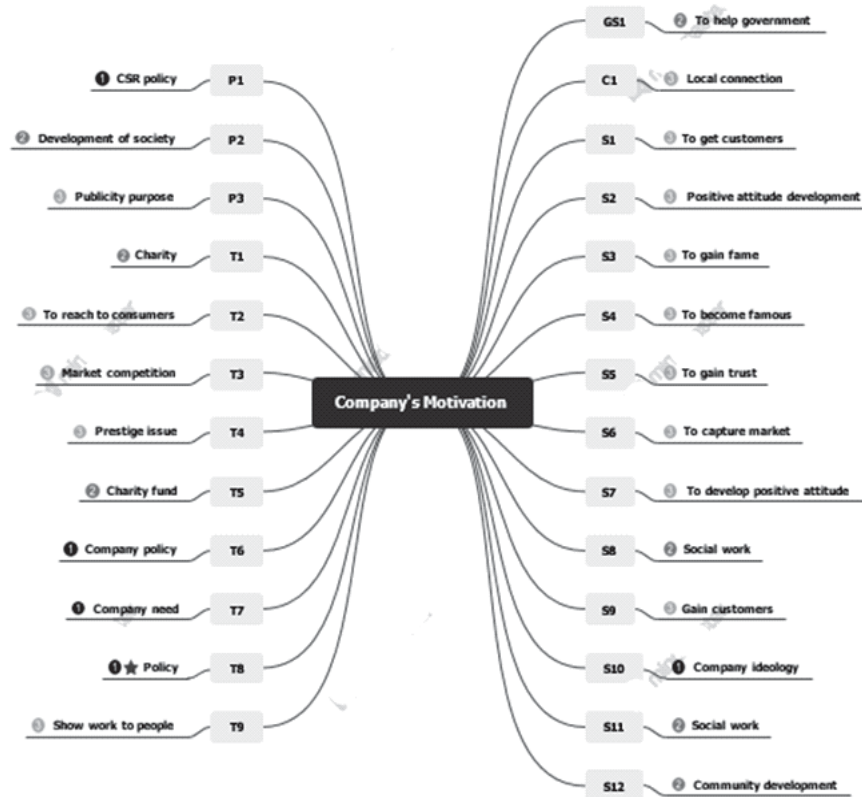


Figure 3: Word Tree Map

*Comment:* Most of the beneficiaries believe that company performs these activities for gaining popularity. Other motivation are company policy and community development.

### **Expectations and Opportunities in CSR Activities to Enhance Local Level Education**

The beneficiaries were asked to highlight more potential areas where the Company could provide support. Also, they gave some suggestions for the Company to make education CSR activities more relevant. These highlighted areas and suggestions will spell out their expectations and also open opportunities for the company to invest CSR funds in meaningful ways.

**Q: Suggestion for the Company**

The beneficiaries suggested various ways through which company can improve execution of education CSR activity which is depicted in word tree map figure 4. The percentage of suggestions related to (1) fund raising is 14.2%. The percentage related to (2) activity suggestions is 17.9%. (3) Only 3.6% suggestion is related to time. (4) The percentage related to advanced technology suggestions is same as activity suggestions i.e. 17.9%. (5) 21.4% suggested to do online paperwork which can save time and to do construction work during vacation period, which would not disturb classes. The percentage of suggestions related to (6) improvement in work quality is same as fund raising i.e. 14.2%. (7) 10.7% suggestions were about mandatory CSR policy before registration of company, work in different areas and responsibility of the work to be taken by the company.

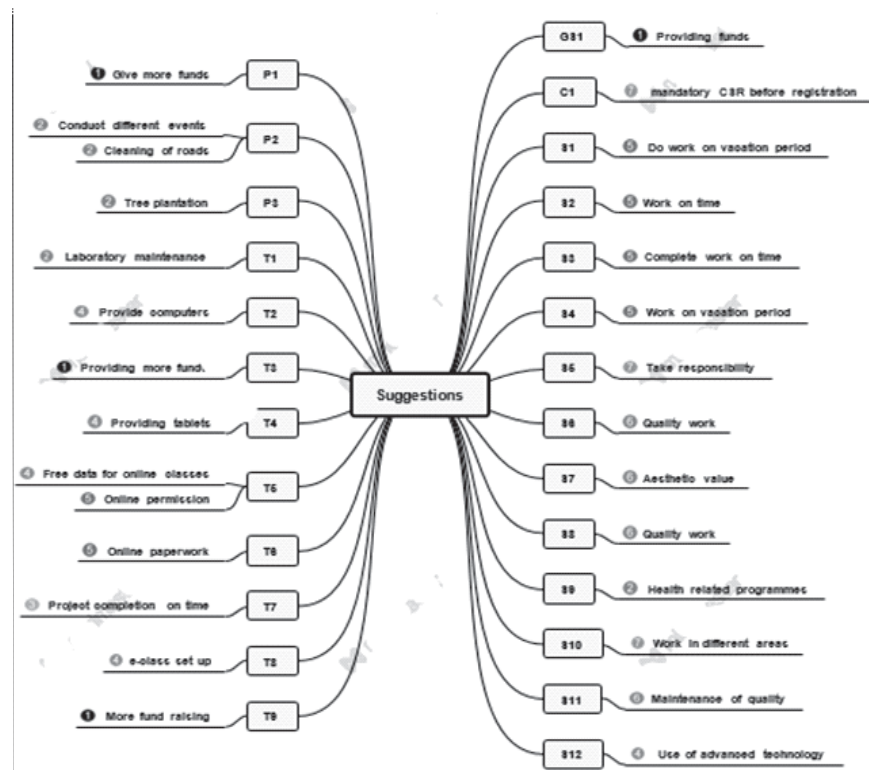


Figure 4: Word Tree Map

*Comment:* The beneficiaries have listed many suggestions for the Company. They suggested to increase funds, technology advancement, quality work, various activities, online paperwork, work during vacation period, CSR before registration and responsibility of the work for the company.

### **Conclusion**

IRCON views itself a socially responsible and accountable corporate citizen. Starting from fulfilling social obligation, to peripheral development, the Company performs structured CSR activities. It does a lot of work for the betterment of education in Patna region. It carries out educational projects according to the need of people and spends a significant amount in the activities.

The effectiveness of the programmes is assessed through interview of the beneficiaries. They were asked to present their perspectives related to different facets of the activities. Many respondents said that education CSR activities help the children in better learning. The beneficiaries sometimes face challenges while receiving support from the company. Heavy documentation requires completing to get CSR funds. Most of the respondents said that the Company performs such activities to fulfill their CSR compliance. The respondents also highlighted their expectations from the Company and suggested some ways to contribute effectively for the society. Sustainable long term financial support is the prior need of the beneficiary organizations. They stressed funding for projects that look at overall growth of the children such as life skill development.

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