CORPORATE ERGONOMIC RESPONSIBILITY
-A tool for sustainability of Corporate Social Responsibility

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Abstract:
CSR does not emanate directly from external demands but instead from organizationally embedded processes. These processes prompt the organization to view its relationships with stakeholders in a different perspective, which in turn influences its engagement with them. Sustainability of CSR depends directly on the profitability of the firm. As per the beliefs, many thinks that it is just another tax imposed legally on profit making corporates and hence it is a disinvestment. Practically CSR is not contributing directly in terms of generating revenue for corporates. The money spend on CSR activities are pure philanthropic in nature and 2% of net profit also matters a lot in this cut throat competition. Along with this the sustainability of CSR activities will be at stake if the organizations don’t make a substantial profit to be eligible for CSR Hence in this context the authors are introducing a concept, called Corporate Ergonomic Responsibility (CER) which can help the organizations to ensure a sustainable CSR strategy. This paper presents a conceptual framework and descriptive analysis of CER in Indian context. The researcher has developed a interactive CSR-CER model which explains how these two are interrelated. Also tried to explain how CER enhances the sustainability of CSR activities by citing a schematic diagram.

Key words: Corporate Social Responsibility (CSR), Corporate Ergonomic Responsibility, Sustainability.

1. Introduction:

1.1 What is Ergonomy?
The term “ergonomics” stems from the Greek “nomos” meaning rule, and “ergo” meaning work. One could propose that ergonomics should develop “rules” for a more forward-looking, prospective concept of design. In contrast to “corrective ergonomics”, the idea of prospective ergonomics is based on applying ergonomic recommendations which simultaneously take into consideration profitability margins (Laurig 1992)

“Ergonomics is the scientific discipline concerned with the fundamental understanding of interactions among humans and other elements of a system, and the profession that applies theory, principles, data and methods to design in order to optimise human well-being and overall system performance” (International Ergonomics Association (IEA), 2000).

Ergonomics (or ‘human factors’ as it is referred to in North America) is a branch of science that aims to learn about human abilities and limitations, and then apply this learning to improve people’s interaction with products, systems and environments.

Ergonomics aims to improve workspaces and environments to minimize risk of injury or harm. So as technologies change, so too does the need to ensure that the tools we access for work, rest and play are designed for our body’s requirements.

Ergonomics comes into everything which involves people. Work systems, sports and leisure, health and safety should all embody ergonomics principles if well designed.

Hence “Ergonomics” is concerned with making the workplace as efficient, safe and comfortable as possible. Effective application of ergonomics in work system design can achieve a balance between worker characteristics and task demands. This can enhance operator productivity, provide worker safety and physical and mental well-being and job satisfaction. Many research studies have shown positive effects of applying ergonomic principles in workplace design, machine and tool design, environment and facilities design.¹

1.2 What is CSR?
Corporate Social Responsibility (CSR) refers to business practices involving initiatives that benefit society. A business’s CSR can encompass a wide variety of tactics, from giving away a portion of a company’s proceeds to charity, to implementing “greener” business operations.

There are a few broad categories of social responsibility that many of today’s businesses are practicing, these are as follow.

• Environmental efforts

¹ AN EXPERIMENTAL STUDY ON ASSEMBLY WORKSTATION CONSIDERING ERGONOMICALLY ISSUES - Ibrahim H. Garbie
• Philanthropy
• Ethical labor practices
• Volunteering
• Legal responsibilities
• Economic responsibilities

1.3 Corporate Ergonomic Responsibility (CER)
Hence Corporate Ergonomic Responsibility (CER) can be defined as the ergonomic responsibilities which a corporate ought to consider as an integrated policy to achieve the holistic development of the employees within the organization. It is also the to attain a high standard of morality among the employees by manipulating the working environment including, physical, physiological, psychological and environmental components of an individual, group or society in an organization.

The major objectives of Corporate Ergonomic responsibility (CER) are given below.
• Promotion and maintenance of the highest degree of physical, mental and social well-being of workers at work place
• Prevention among workers of departures from health caused by their working conditions
• Protection of workers in their employment from risks resulting from factors adverse to health
• Placing and the maintenance of workers in an occupational environment adapted to their physical and mental needs

1.4 Culture and Cross Culture:
In the words of culture is, “The collective programming of the mind which distinguishes the members of one human group from another. It is the interactive aggregate of common characteristics that influences a human group’s response to its environment.” Hofstede (1980)

Anthropologist Symington (1983) has defined culture as, “… that complex whole which includes knowledge, belief, art, law, morals, customs and capabilities and habits acquired by a man as a member of society.”

The Indian perspective of culture given by Sinha (2000) suggests that “Culture consists of totality of assumptions, beliefs, values, social systems and institutions, physical artifacts and behaviour of people, reflecting their desire to maintain continuity as well as to adapt to external demands.”

What the above descriptions suggest is a set of value systems that are equally shared by all the members. They take a long time to evolve and are sustained over a long period of time. They form a common core which binds people together. The term cross cultural deals with how these value system changes as per change in a situation, this may refer to time, place, person etc.

For instance what is most important to a person, place or time is not as it is to another person, place or time.

1.5 Cross Cultural understanding of CSR Models:
The meaning and model of CSR differs from country to country as per their cultural traits, few of the countries and what CSR mean to them is given below.

In the United States, the concept of CSR as large scale societal changes such as the rise of the civil rights movement, the rise of consumerism (protection of consumers from exploitation) and growing anti-war sentiment (Vietnam).

In the United Kingdom, the zeal of CSR activities viewed as that would be useful to business if it could deliver business benefits.

In Europe, environmental considerations prevailed and the concept of sustainability may be expressed more than the concept of CSR.

In Japan, CSR has traditionally been expressed primarily through benefits to employees and environmental reporting.

In Australia the approaches to CSR strategies are viewed as practiced in the UK, combined with attention to the concept of sustainability.

In India, leading CSR companies such as Tata Steel view extensive social investment as a core part of business strategy is an exception. As per the general psychology of the corporate persons the core concepts are more oriented towards meeting the legal formalities.

The above example shows what is CSR? in prospective to different countries due to the cross cultural differences across different countries.

Whatever may be the meaning or model of CSR for different countries it is universal truth that, to make the CSR activities sustainable in the present global village it needs a financial thrust.

2. Objective of the study:
The objectives of this research paper can be briefed under following two sub headings.
The primary objectives are to:
• Analyze the present structure of CSR in India.
• Evaluate a strategy for sustainability of CSR by Indian corporates
• Propose the model of CER to make the sustainability of CSR.

The secondary objectives is to
• Understand the history and evolution of CSR in India
• Understand the limitations and areas of improvement
• Understand the concept of CER in relation to sustainability of CSR.

3. Corporate Social Responsibility (India) Voluntary Guidelines 2013:
According to Schedule-VII of the Companies Act, 2013 incorporates a provision of CSR under Clause 135 which states that every company having net worth Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more or a net profit of rupees five crore or more during any financial year, shall constitute a CSR Committee of the Board consisting of three or more Directors, including at least one Independent Director, to recommend activities for discharging corporate social responsibilities in such a manner that the company would spend at least 2 per cent of its average net profits of the previous three years on specified CSR activities.
The following activities shall be included by companies in their CSR Policies:

(i) Eradicating extreme hunger and poverty;
(ii) Promotion of education;
(iii) Promoting gender equality and empowering women;
(iv) Reducing child mortality and improving maternal health;
(v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
(vi) Ensuring environmental sustainability;
(vii) Employment enhancing vocational skills;
(viii) Social business projects;

From amongst these beneficiaries of CSR and Sustainability spend (financial component) of a company, the stakeholders directly impacted by its operations and activities can rightfully stake a claim for attention before others. Such stakeholders are generally located in the periphery of commercial operations of a company. The corporate social responsibility of a company towards these stakeholders extends beyond its legal obligation to compensate for, and ameliorate the impact of its commercial activities. For this reason, CPSEs must accord priority to these stakeholders and undertake CSR and Sustainability projects in the periphery of its commercial operations on priority.

Companies are expected to take initiative to promote welfare of employees and labour by addressing their concerns of safety, security, professional enrichment and healthy working conditions, whether mandated or otherwise. However, expenditure on mandated activities cannot qualify for CSR’s financial components. Although companies may select their CSR and Sustainability projects from a vast range of available options, priority should be accorded to activities pertaining to

(i) Inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country, and
(ii) Environment sustainability.

CSR and Sustainability initiatives should focus on capacity building, skill development and infrastructural development for the benefit of the marginalized and under privileged sections of the local communities and also in the backward regions so that avenues are created for their employment and income generation, and they also experience empowerment and inclusion in the economic mainstream. Weaker sections would include SC, ST, OBC, minorities, women and children, BPL families, old and aged, physically challenged, etc.

5 per cent of the annual budget for CSR and Sustainability activities has to be earmarked for Emergency needs, which would include relief work undertaken during natural calamities/disasters, and contributions towards Prime Minister’s / Chief Minister’s Relief Funds.

There is emphasis on internalizing the philosophy and spirit of CSR and Sustainability within the organizational culture and ethos.

At least 80% of the annual budget earmarked for CSR and Sustainability activities shall have to be spent on implementation of activities in the project mode.

4. Corporate Social Responsibility (CSR) activity Model:
The CER model given below represents the sequence of correlated activities which are produce as an outcome of a CSR strategy.

4.1 Gist of new companies acts 2013 for CSR:

Major activities:

5The government has identified 10 major areas, these activities which can be included by companies in their CSR policies include: eradicating hunger, poverty, malnutrition and promoting preventive healthcare, promoting sanitation and availability of safe drinking water, promoting education, promoting gender equality, ensuring environmental sustainability, protection of national heritage.

Financial resources:

5In alignment with The Companies Act, 2013 the Corporation shall earmark as CSR Budget, at least 2% of the average of net profits of the company made during the three immediately preceding financial years.

Budgetary Allocations:

7Not less than 60% of the Budget will be allocated for activities in project mode.

Not more than 5% of the budget will be allocated for capacity building and communications.

Balance budget will be for one time and Other Social Activities. On an overall basis, at least 25% of the budget should be with a special focus on SC/ST/Welfare Plan for Weaker Section.

Any surplus arising out of the CSR projects/programs / activities will not form part of the business profit of the Company.

4. Corporate Social Responsibility (CSR) activity Model:
The CER model given below represents the sequence of correlated activities which are produce as an outcome of a CSR strategy.
5.1 Remarks:
The above picture presents the role of CSR in uplifting the livelihood of people depicted in form of a diagram. CSR in general primarily associated with the primary needs of the people in disadvantage, hence by focusing on education, health and nutrition it helps in capacity building in the communities. Persons with sound education, health and nutrition can perform a better work than those who lacks these. A standard work is presumed to have a better performance which ultimately leads to better productivity.

5.2 Limitations of CSR Model 2013:
The role of CSR activities is purely philanthropic in nature, where the communities around the organizations are concentrated on a project mode, i.e. 60% of the CSR fund shall be contributed to a single or specific project, e.g. education, nutrition, social inclusion etc.

First the problem is that if for any reason the company could not make substantial profit to be eligible for generate CSR, then the ongoing project will be at stake. (Refer to para 7)

Second, CSR don’t allow the organizations to invest on internal operations, i.e. for employees of the organization, it can be seen as it demotivate the employees for being not getting benefits which they created (Refer to Para 3)

Third, the family members of the employees are less preferred, i.e. maximum of 25% of total beneficiaries also led to a state of dissatisfaction among the employees (refer to Para 4)

Fourth, CSR is only to look at external environment of the organization, it least concerned about the internal environment which is the primary component of corporate society

Lastly the question of sustainability of CSR activity is a question on the issues of financial performance and profitability of the organization.

5. Corporate Ergonomic Responsibility (CER) activity model:
To come with a proper solution the author in this research paper comes with a solution called CER to make the sustainability of CSR in an organization.

6.1 Remarks:
The above picture presents the role of CER in uplifting the livelihood of people depicted in form of a diagram. CSR in general primarily associated with the primary needs of the people in disadvantage, hence by focusing on education, health and nutrition it helps in capacity building in the communities. Persons with sound education, health and nutrition can perform a better work than those who lacks these. A standard work is presumed to have a better performance which ultimately leads to better productivity.

6.2 Overcome the Limitations:
The role of CSR activities is purely philanthropic in nature, where the communities around the organizations are concentrated on a project mode, i.e. 60% of the CSR fund shall be contributed to a single or specific project, e.g. education, nutrition, social inclusion etc.

In case of CER it is combination of philanthropy in association with commercial oriented

First the problem is that if for any reason the company could not make substantial profit to be eligible for generate CSR, then the ongoing project will be at stake. (Refer to para 7). To resolve the issue CER will act as a power house which will regenerate the revenue out of the investments on it. It has the capacity to strengthen the CSR activities by ensuring better performance and productivity in terms of profit for long run.

Second, CSR don’t allow the organizations to invest on internal operations, i.e. for employees of the organization, it can be seen as it demotivate the employees for being not getting benefits which they created (Refer to Para 3). By allowing a portion (in percentage of CSR) on CER the employees in the
organization feel that they are rewarded for their efforts and encouraged to give better performance, which leads to increase in profit and hence the contribution to CSR.

Third, the family members of the employees are less preferred, i.e. maximum of 25% of total beneficiaries also led to a state of dissatisfaction among the employees (refer to Para 4). As a solution to this dissatisfaction, if increase in revenue due to CER is rewarded to the family members will encourage the employees to give a better performance.

Fourth, CSR is only to look at external environment of the organization, it least concerned about the internal environment which is the primary component of corporate society. As it looks at external environment, sometimes the employee feels that the rewards of their efforts are going to some unknown, while persons who are behind the contribution to CSR are neglected. If a portion of CSR fund is allocated to them for ergonomic developments, it may lead to satisfaction and ends in better performance.

In addition to the above explanations CSR activity is termed as a disinvestment by many farmers as the investments through this is not giving direct return in terms of revenue. Hence sometimes it becomes an additional financial burden without any financial rewards.

In contrast to the above many researches are in support of the concepts that implementation and intervention of ergonomic activities in organizations have increased the performance of organizations in terms of profitability, along with reduction of costs associated with occupational health and safety issues (OHS) e.g. costs related to absenteeism, ill health, poor work, attrition, accidents, deaths etc.

6. Research methodology:
This research paper presents a conceptual framework of Corporate Social Responsibility (CSR) and Corporate Ergonomic Responsibility (CER). This paper presented a descriptive study about the above said concepts. This paper used secondary data and information collected from reference books, literatures, publications etc.

7. Findings:
In this globalised market, where the cross cultural dimensions of different countries affect CSR strategy of the organizations. The major issue is the sustainability of CSR is a big question. Hence the author in this paper presents a Interactive CSR model to assemble the CSR and CER on a common platform, so that we could understand the
To come to a common conclusion the authors present a semantic diagram for a better understanding

8.1 CER-CSR INTERACTIVITY MODEL:
To establish a relationship between the CSR and CER, the author in this paper presents a schematic CSR-CER interactivity model as given below. The below picture describes the interdependence between two variables and try to find out a logic in them.

Figure: 3 (CSR-CER INTERACTIVE MODEL)

Source: Author
The finding of the whole paper can be done by comparing the CER and CSR by a schematic diagram of an interactive CSR-CER model. The comparison is presented in form of similarities and dissimilarities:
8.1.1 Basic Similarities:
The above figure depicts that both CSR and CSR are meant for alleviate the marginalize people and people in disadvantage. The process of alleviation is almost similar i.e. providing the basic needs led to ends in productivity. Both need financial resources to uplift the standard of people. Both believe in the concept of philanthropy.

8.1.2 Basic dissimilarities:
CSR emphasizes on extra organizational activities, while CER on intra organizational. CSR is wholly philanthropic, while CER is philanthropic along with economic. CSR don’t provide return on expenses, while CER basically to increase the profit by reducing cost and increasing efficiency. CSR is temporary and project based while CER is permanent changes in working atmosphere. CSR to do the expenditure, while CER to expenditure in relation to expected financial gain.

8. Conclusion:
From the above analysis the authors came to a conclusion that CER is just like an power house which in form of a captive power house supports the internal requirements, while in form of a commercial power plant supports the external requirements of an organization. Like mitochondria of a cell provides energy for its own existence along with the existence of a cell. Hence the strategy must follow to include CER shall be assigned a part of expenditure of CSR i.e. 2% of the net profit (PAT: Profit After Tax) so that the sustainability of the CSR can be maintained. It also helps in maintaining a balance between external and internal expenditure of the CSR activities to satisfy all the stake holders.

9. Scope for further research:
The major scope for further research on this paper is to evaluate what shall be the actual percentage out of assigned CSR fund towards the CER.

10. Reference:

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