

Research Article

An Analysis of Housing Development Finance Corporation Limited's Corporate Social Responsibility Initiatives

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A B S T R A C T

The term "Corporate Social Responsibility" or CSR, refers to the methods devised by businesses to run their operations in an ethical and society-friendly manner, with the goal of contributing to the growth of both the global community and the globe as a whole. The concept of "corporate responsibility" stipulates that organisations should run their businesses in such a manner that they have a beneficial effect on both society and the environment, while at the same time increasing the value they provide for their many stakeholders. The idea of corporate social responsibility, as well as Housing Development Finance Corporation's practices on corporate social responsibility, are the subjects of this research paper. The paper analyzed how HDFC concentrated its efforts across three primary subject areas, namely education, healthcare, and sanitation. In addition, the company made a contribution to the reconstruction of houses in the state of Kerala that had been badly destroyed as a result of the disastrous floods. It formed a partnership with the Maharashtra state government to carry out the "Village Transformation Mission." In addition to this, it cooperated with organisations that were working toward the preservation of biodiversity and the environment, as well as supporting the participation of Indian athletes in global athletic competitions. The H.T. Parekh Foundation ramped up its efforts to reach out to disadvantaged groups in a number of different states throughout the country when the country was under a state of emergency. Numerous recommendations are offered to enhance the CSR practices of the chosen company as well as those of other businesses throughout the globe.

Keywords: Housing Development Finance Corporation (HDFC), Corporate Social Responsibility (CSR), Corporate Social Responsibility Practices

Introduction

The concept of "corporate social responsibility" refers to the commitment made by businesses to make a positive contribution to the long-term economic development of a nation by working to improve the lives of their workers,

as well as the lives of their families, the communities in which they operate, and society as a whole. Accountability, transparency, and sustainability are the three fundamental tenets that underpin corporate social responsibility (CSR) action. It does so by accepting responsibility for the beneficial influence that its business operations have had

on consumers, workers, shareholders, communities, and the environment. This shows that it takes into account the interests of society. It takes into account the economic, social, legal, ethical, and voluntary requirements that a society places on companies. It is necessary for any welfare that operates in a society to contribute to the improvement of that society's well-being since it is their responsibility to do so. It provides assistance to businesses in managing their business operations in order to have a good influence on every facet of the local community as well as the planet as a whole. It assures a continuing commitment on the part of business activities to contribute to the economic growth of the country while also enhancing the quality of life of the local community and society as a whole. CSR practices consist of the formulation of policies and the making of choices to follow those action lines that are desired in order to undertake activities for the purpose of contributing to the general welfare of society as a whole.

The Housing Development Finance Corporation Limited, often known as HDFC, is a prestigious housing finance company that was established on October 17, 1977. Mr. H.T. Parekh serves as the institution's chairman. The Industrial Credit and Investment Corporation of India Limited (ICICI), the Industrial Finance Corporation (IFC), and His Royal Highness Aga Khan were the individuals responsible for the establishment of the company. It is officially recognized by NHB and maintains its corporate headquarters in Mumbai. It has adapted its individualized product and service offers to include professional services, and it has made the services of these offerings more appealing. The major goal of the company is to encourage people to own their own homes while also working to enhance the residential housing supply in India in a professional way. The integration of the housing finance sector with the entire domestic financial markets was meant to accomplish the goal of increasing the amount of resources that flow into the housing sector. It is thanks to the efforts of an experienced management team and a staff that is highly qualified that the company has gained the support of more than 7.7 million clients. It has a vast distribution network that consists of 588 linked offices (including 204 offices of HDFC Sales) and outreach programs that extend to a variety of cities and towns located all throughout the country that is known as India. Distribution has been improved thanks to HDFC Sales, HDFC Bank, and third-party Direct Selling Associates (DSA). In addition to this, it has participated in a number of housing finance consulting projects in a variety of countries spanning Asia, Africa, and Eastern Europe. It has three representative offices, one each in Dubai, London, and Singapore, and these offices provide non-resident Indians and people of Indian heritage with goods and services connected to house loans. The company has established a robust business network that adheres to ethical standards and sensible rules. As a

part of its commitment to corporate responsibility, HDFC has, both on its own and via the H.T. Parekh Foundation, principally concentrated its efforts on fields like healthcare, education, as well as skilling and livelihoods.

Research Methodology

It discusses on the objectives of the study, sample size, and procedure for data collecting while discussing the methodology that was used in order to carry out the current research.

Objectives of the Study

- To study the concise background information about Housing Development Finance Corporation Limited
- To study research on the corporate social responsibility initiatives that have been taken by the chosen company
- To provide a number of suggestions on potential improvements to the corporate social responsibility policies of the chosen company.

Sample Size and Data Collection

The purpose of this research is to study the Housing Development Finance Corporation Limited, focusing on its corporate social responsibility practices and a short biography of the company. For the purposes of this study, a representative representative sample of one housing finance company that is active in the private sector in India has been chosen. Data was acquired from secondary sources such several Annual Reports of HDFC, websites, relevant publications, and others for the purpose of doing research on the marketing practices used by the company that was chosen for analysis. The practices of the chosen company's corporate social responsibility are examined during the course of the study, which spans the five years from 2015-16 to 2019-20.

Review of Literature

Shyam and Reena (2016) discussed the history of CSR in India as well as its current state. She discussed the many instances of CSR initiatives in Indian enterprises, including the role of SMEs in CSR, and highlighted attention to the rules that regulate CSR in India. She went over the difficulties that institutions go through when trying to put CSR practices into effect and discussed some solutions to speed up the CSR initiatives. These solutions included raising awareness about CSR among the general public, encouraging small and medium-sized enterprises to positively contribute to CSR, monitoring CSR activities, and so on.

Kumar, Vijay (2017) highlighted the short history of CSR in India as well as its development throughout time. He discussed about fundamental issues in CSR, such as the rights of workers, the state of the environment, and the fight against poverty. He discovered that the Central Government had instructed public sector enterprises to

designate a particular proportion of their yearly budget for the advancement of Corporate Social Responsibility (CSR) activities. He discussed about the difficulties associated with CSR, such as the lack of understanding among the general public about CSR activities, issues with transparency, and the absence of well-organized non-governmental organizations, among other difficulties. He advised increasing the transparency of information disclosure in smaller organizations, as well as formulating clear cut legislative requirements surrounding CSR initiatives, and other things like that.

In their 2017 article, Simran, Kaur, and Nidhi Tandon discussed the corporate social responsibility (CSR) activities taken by Infosys, Mahindra & Mahindra, Tata Group, Ultratech Cement, and Shree Cements. They discussed major CSR issues in India, including as environmental management, responsible sourcing, stakeholder involvement, labor working conditions, employee and community interactions, social equality, human rights, good governance, and anti-corruption measures. They were of the opinion that organizations needed to come to terms with the fact that the government could not achieve its goal of elevating the disadvantaged members of society on its own. They came to the conclusion that a large number of the world's most successful firms had come to the realization that it was important to be linked with socially meaningful issues in order to preserve their goodwill and to boost their business's competitiveness.

Corporate Social Responsibility Practices of HDFC Limited

During the fiscal year 2015–2016, the corporation made contributions to identified social sectors by way of the H.T. Parekh Foundation as well as directly. These contributions were made in the following areas: child welfare; support for differently abled persons and underserved sections; education; health and sanitation in rural and urban development; and environmental sustainability. It formed a fund to encourage excellent social initiatives and gave it the acronym SAR (which stands for Shelter Assistance Reserve). This year, HDFC concentrated its efforts on three different subject areas, including education, healthcare, and sanitation. It promoted social causes such as maternity and child nutrition, special education and vocational training for people with diverse abilities, urban welfare issues for marginalized and disadvantaged populations, rural programs, and environmental sustainability, among other things. HDFC provided financial support for a variety of important aspects of healthcare, such as the treatment of cancer, the provision of high-quality ophthalmologic care, particularly for the prevention of avoidable blindness, paediatric healthcare, heart surgeries, cochlear implants, and craniofacial and cleft lip surgeries. During the fiscal year

that concluded on March 31, 2016, it provided students from low-income households with scholarships awarded on the basis of their academic excellence to assist them in pursuing higher education. In addition to this, it helped enhance the capacity of educational institutions that were dedicated to providing underserved and disadvantaged segments of society with excellent education. It provided financial assistance to programs that aimed to empower women farmers, improve agricultural productivity and food security, and support rural health services. Other programs that benefited from this assistance included those that ran child shelters and orphanages, as well as those that worked to protect children. In addition to this, it formed partnerships with organisations that were engaged in the preservation of sustainability and the environment, as well as the promotion of Indian athletes in their preparation for global athletic competitions. The company incurred expenses of Rs. 85.70 crore this year.

The corporation made contributions to various social sectors in both urban and rural areas during the 2016–2017 fiscal year. These sectors include education, water and sanitation, skilling and livelihoods, healthcare, community development, differently abled persons, child welfare, and environmental sustainability. Corporations provided financial support to social organisations whose primary focus was on re-enrolling students who had dropped out of school in rural regions and also worked with organisations that integrated important educational resources. It did so by offering monetary support to training programmes for elementary and secondary school teachers. HDFC financed programmes for efficient watershed management in water-scarce parts of rural Maharashtra and for the distribution of clean and safe drinking water in the slums of New Delhi. Both of these initiatives were carried out in India. It provided support for sanitation programmes in a variety of places with the intention of constructing 3,000 home toilets over the course of the next two years. Additionally, it collaborated with the state government of Maharashtra on an initiative called the "Village Transformation Mission." HDFC's healthcare initiatives focused on programmes, such as addressing malnutrition, building health facilities for paediatric care, providing transformative surgeries for underprivileged children, and providing support for the prevention, treatment, and rehabilitation of cancer and leprosy patients. The total amount of money that was spent on corporate social responsibility was Rs 174.21 crore.

During the 2017-2018 fiscal year, HDFC's Corporate Social Responsibility (CSR) activities concentrated mostly on three different fields: healthcare, education, and skilling and livelihoods. The corporation maintained its financial support of life-changing operations for children from underprivileged backgrounds. It emphasized the need of better nutrition for school-aged children and offered financial assistance

for the development of kitchens to prepare school lunches. Additionally, it provided funding for initiatives that helped provide safe and clean drinking water to homes in rural areas. It continues to support comprehensive sanitation programmes with its continuing implementing partners in rural regions, and it teamed with another organization to build a public toilet in an urban area. It also supported programmes at the school level by offering extra learning aids to pupils, as well as scholarships to children from underprivileged homes, and giving educational support for children with intellectual impairments. Additionally, it funded programmes that provided vocational training, job placement, and livelihood opportunities for young people with varying degrees of disability. During the fiscal year, HDFC allocated Rs 175.97 crore to their corporate social responsibility efforts.

During the 2018-19 fiscal year, the corporation made a contribution to the reconstruction of houses in Kerala that had been ruined by floods in August of the previous year. Additionally, the corporation supported funding for projects that were connected to important industries, such as healthcare and sanitation, education and skilling, and means of subsistence. The corporation supported financial support to organisations that gave students access to supplemental educational resources. HDFC collaborated with a number of organisations to provide training programmes for educators, with the goal of improving the quality of teaching in public schools and inexpensive private schools. The unskilled migrant workers, individuals with disabilities, and women portions of the workforce supported support from HDFC in order to strengthen these groups. As a result of HDFC's awareness of the severe drought that the state of Maharashtra experiences on an annual basis, the company supported funding for a project that educated and prepared villagers to address the issue of drought in their communities by providing them with the technical knowledge and leadership skills necessary to do so. In the area of Community Development, the corporation made a contribution to the effort to repair houses in the state of Kerala that had been badly destroyed as a result of the disastrous floods that occurred in August of 2018. The preservation of nature and the environment, in addition to the promotion of athletics, were some of the other projects. The amount of Rs. 173.52 crore that was spent on activities related to corporate social responsibility.

In the fiscal year 2019–20, the Corporation will prioritize major subthematic areas within the healthcare, education, and skilling and livelihoods sectors in order to guarantee that its corporate social responsibility activities have the greatest possible impact. The HDFC group made a contribution of Rs. 150 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund) in order to provide support to the efforts made by the Indian

government to address the health crisis brought on by the COVID-19 epidemic. The H.T. Parekh Foundation ramped up its efforts to reach out to disadvantaged groups in a number of different states throughout the country when the country was under a state of emergency. The foundation expanded its efforts to support 22 partners in 12 states by providing either prepared meals (for 7.7 lac persons), monthly ration kits (for 1.2 lac individuals), or hygiene safety kits for the police force. The foundation's reach extended as a result of these expansion efforts. Over one million personal protective equipment (PPE) kits, seventy thousand masks, and a few ventilators were given out to charity institutions treating COVID-19 patients. These supplies were supplied by the state governments of Maharashtra, Delhi, and Gujarat. HDFC has also increased its support in the area of environmental conservation and sustainability by funding projects that include waste recycling, bio-diversity, promotion of solar energy, and livelihood projects in Maharashtra and Assam that are focused on water conservation and afforestation, respectively. HDFC has maintained its support for community-led programmes in metropolitan areas that aim to enhance individual and public sanitation facilities. It worked in collaboration with other institutions to enhance learning outcomes and vocational skills for early adolescents, with the goal of preparing them for employment, as well as to provide inclusive education for children with both intellectual and physical impairments. In addition to this, it supported funding for a one-of-a-kind cultural restoration project that was carried out in Ahmedabad, Gujarat. This project aimed to enhance and rehabilitate the 'Dhal ni Pol,' which is one of the oldest heritage precincts in the city of Ahmedabad (a UNESCO World Heritage site). 211.77 billion rupees worth of expenses were incurred as a result of corporate social responsibility.

Findings

The corporation made a contribution to many social areas that were recognized, including education, health and sanitation, rural and urban development, and environmental sustainability. It formed a fund to support social projects and gave it the acronym SAR (which stands for Shelter Assistance Reserve). HDFC's healthcare initiatives focused on programmes, such as addressing malnutrition, building health facilities for paediatric care, providing transformative surgeries for underprivileged children, and providing support for the prevention, treatment, and rehabilitation of cancer and leprosy patients.

- It provided financial assistance to programs that were designed to teach vocational skills in order to improve people's opportunities for making a living. This assistance was also given to programs that assisted in the operation of child shelters and orphanages as

well as programs that assisted in the protection of children. Other programs assisted in the empowerment of women farmers, the improvement of agricultural productivity, the promotion of rural health, and the provision of support for rural health. The corporation supported financial support to charitable organisations that were primarily focused on re-enrolling students who had dropped out of school in rural regions and formed partnerships with charitable organisations that were integrating useful social services

- HDFC supported programmes for efficient watershed management in water-deficient regions of rural Maharashtra, as well as for the distribution of clean and safe drinking water in the slums of New Delhi. It supported support for sanitation programmes in a variety of areas with the intention of constructing 3,000 home toilets over the course of the next two years
- HDFC supported funding for a project that helped educate and equip residents in the villages of Maharashtra with the technical know-how as well as the leadership abilities necessary to combat the problem of drought that affects those areas year after year. In addition, the corporation made a donation to help repair houses in the state of Kerala that had been badly destroyed as a result of the disastrous floods that occurred in August of 2018. In addition to this, it supported funding for a one-of-a-kind historic restoration project in Ahmedabad, Gujarat. The preservation of nature and the environment, in addition to the promotion of athletics, were some of the other projects
- In the year 2020, the HDFC group made a donation of Rs. 150 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund) in order to support the Indian government in its fight against the COVID-19 pandemic and its impact on the country's health care system. During the time that the country was under a state of emergency, the H.T. Parekh Foundation stepped up its efforts to deliver cooked meals, monthly ration kits, hygiene safety kits, personal protection equipment (PPE) kits, masks, and ventilators to vulnerable communities located in a variety of states across the country.

Suggestions

- The company should pool its resources with those of other companies operating in the same industry in order to develop joint CSR companies. These programs would assist in the establishment of a joint CSR department and would allow the business to jointly evaluate the requirements of local communities. The combined resources might be invested in the social and environmental sectors, which would be beneficial to the advancement and growth of the economy

- The company should also engage in beneficial CSR programmes and strategies in conjunction with non-governmental organisations (NGOs), and it should carry out corporate social responsibility practices jointly, which would help minimize the operating cost of management. The amount of money that was saved might be used toward the implementation of massive social projects aimed at improving the welfare of society. Additionally, via collaborations, it is possible to gain information and experiences from others' perspectives
- Good documentation and corporate social responsibility reporting practices not only make organizations stronger and provide advantages to businesses, but also help to maintain amicable relationships with stakeholders and other stakeholders. It is essential that a significant portion of the CSR strategy be devoted to the documentation, reporting, and communication of the CSR performance. The documentation of the CSR need to be arranged in a way that is easy to access
- The company need to commence to improve awareness in society to effectively utilize and reuse resources; and to create new ideas, services, and programmes to introduce reusable packaging. It would assist the company in improving its CSR performance and accomplishing the CSR sustainability objectives it has set for itself. Only through the active participation of the community and the recipients can sustainable CSR be accomplished. In order to maintain a healthy environment in India, there is an additional need to quicken the speed of the Clean India project.

Conclusion

The concept of corporate social responsibility is becoming more important in today's world. Sincere and genuine effort should be put in by organizations in their pursuit to serve both their global communities and the world at local. It is necessary for the organizations to have an appropriate CSR strategy in order to effectively execute CSR practices. The organizations and all of its stakeholders will gain tremendously from using it. CSR initiatives are more likely to have an effect if organizations prioritize their local communities in addition to the world at global. They need to make involvement appealing to everyone in the society. Because of their status as corporate citizens, organisations are held to the expectation that they would play a constructive part in the development and growth of the country's social and environmental sectors.

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