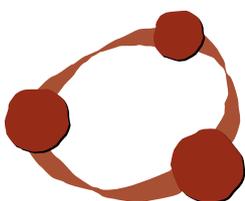




**SOS CHILDREN  
VILLAGES**

## **CHANGING TRENDS IN BUSINESS-NGO RELATIONSHIPS IN INDIA**

Evolving patterns and emerging opportunities to maximize  
the benefits of innovative collaboration



**the  
partnering  
initiative**



## About this report:

In early 2011, SOS Children's Villages commissioned The Partnering Initiative of the International Business Leaders Forum to compile a paper that highlights insights and trends emerging between Business NGO partnerships in India. Initial findings were presented at a symposium in New Delhi, held in November 2011.

This report acknowledges references to and draws data from a number of excellent recent publications and presentations on the state of CSR in India (such as KPMG's CSR Survey August 2011, FSG's 'Creating Shared Value in India, October 2011, KPMG's CSR Whitepaper 2008, presentations from Assocham's National Conference on Corporate Community Investment ), Changing Trends in Business-NGO Partnerships: A Netherlands perspective, published by The Partnering Initiative and SOS Netherlands (2010), A recent consumer survey on expectations of business placing India within a global context (CONE Consulting), a commissioned survey of 20+ Indian businesses on their existing CSR practices & relationships with their NGO partners, a handful of interviews with industry insiders having an overview of a multitude of business/NGO interactions (SOS Childrens's villages, TPI, IBLF, Business Community Foundation).

Using insights from these rich sources of data, as well as drawing from knowledge acquired over time by The Partnering Initiative (TPI), this paper intends to provide stimulus for discussion and action by exploring:

1. Socio-economic and historic context influencing business NGO relationships in India
2. Emerging trends in Business NGO partnerships in India today
3. Obstacles to greater Business NGO collaboration
4. Opportunities for business/NGO partnerships to achieve a step-change in scale and impact

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# EXECUTIVE SUMMARY

Although in general the majority of businesses are still in the early stages of developing collaborations with NGOs, a wave of companies both new and long-standing are taking the lead in bringing business' financial and human resources as well as a systems-approach to the job of bridging India's wide gap between rich and poor.

Drawing on a historical precedent, these businesses recognise the pivotal role of businesses in nation-building and are building relationships with NGOs to create real change. However, sectoral stereotypes, a fierce short-term business climate and an under-capacity NGO sector are obstacles to greater scale and impact.

A vital opportunity exists to achieve a step-change in India's inclusive growth and prosperous development by companies working much more extensively in partnership with civil society, NGOs and government.

Companies can use their business skills and acumen (for example through skills-based employee engagement) to build the capacity of the other sectors and work together to tackle some of the most pressing societal challenges.

NGOs need to improve transparency to counter negative stereotypes and professionalize management processes, but they need business help to do this.

The scene is set for visionary businesses to take advantage of the opportunity to use their unique trusted status to lead a collaborative effort with NGOs and government that capitalizes on the growth potential of India and creates a lasting legacy of equity and prosperity for all, that will ensure India achieves the status of a true superpower.

## The unique context for Business-NGO collaboration in India

- **A business sector** which currently experiences strong growth, draws on a historical precedent of social engagement and is trusted more highly than in the other major world economies.
- **A government/public sector** which has as yet proved unable to extend access to basic utilities and alleviate poverty for the huge and growing population for which it is responsible; which occupies an important place in the business sector through state-owned businesses but which suffers from pervasive corruption and mistrust.
- **An NGO sector** which is large and vibrant but which suffers from a history of unreliability, mismanagement and under-investment.
- **A divided society** with striking inequities between rich and poor that makes it simultaneously one of the world's biggest economies and potential superpower whilst also home to a third of the world's poorest people.

# SOCIO-ECONOMIC AND HISTORIC CONTEXT that influences the growth pattern of Business NGO relationships in India

The way partnerships in India are developing is influenced both by global patterns and by the specific social, economic conditions in India today and historically.

Traditionally in India, as in most countries, individuals who happened to be business owners supported the temple or church, which in turn provided social services to the 'poor and needy'. The idea is particularly embedded in the Indian psyche given it was also supported by several of India's religions. "Zakaat", followed by Muslims, is donation from one's earnings given to the poor and disadvantaged. Similarly Hindus follow the principle of "Dharmada" and Sikhs the "Daashaant".

According to "Altered Images: the 2001 State of Corporate Responsibility in India Poll", a survey conducted by Tata Energy Research Institute (TERI), the evolution of CSR in India has followed a chronological evolution of 4 thinking approaches:

Model	Focus	Champions
Ethical	Voluntary commitment by companies to public welfare	M K Gandhi
Statist	State ownership and legal requirements determine corporate responsibilities	Jawaharlal Nehru
Liberal	Corporate responsibilities limited to private owners (shareholders)	Milton Friedman
Stakeholder	Companies respond to the needs of stakeholders - customers, employees, communities etc.	R Edward Freeman

## India in the early phases of CSR

A 2011 KPMG survey of the top 100 earning companies in India showed that only 16% had a CSR strategy in place with well-defined objectives and targets. This led to the observation "corporate responsibility seems to be in the experimental phase in India as of now". By comparison, 73% of Global 250 companies have CSR strategies with defined objectives, 65% have key performance indicators for objectives and 60% report against these indicators. This means that businesses in India are either (a) not being strategic in their CSR programmes and their engagement with NGOs for social impact, or (b) not communicating it. Consistent with international trends, Indian community involvement programmes have often started small and appeared both peripheral to core operations and disproportionate to the scale and size of business operations and the potential to make an impact.

## The stark contrast between the 'two India's'; Bharat v/s India

Strong economic growth puts the Indian economy at 9th largest in the world judged by nominal GDP, and 4th largest judged when adjusted with purchasing power parity. This growth is coupled with high levels of poverty in a country ranked 119 out of 169 countries on the United Nations' Human Development Index. This contrast creates one India poised to be a super-power, whilst the 'other struggles on the margins'.

India's growing disparity between rich and poor provides a context of paradoxes and a compelling case for inclusive growth and Business/NGO collaboration.

As Sonia Gandhi states, the assumed benefits of strong economic growth 'loses its larger social purpose if it does not benefit the less fortunate'. The broad range of social problems includes widespread poverty (an estimated 25% live below the government specified poverty threshold of \$0.40.day), a large informal labor sector, lack of access to clean water, malnutrition, poor health, high infant mortality, poor or in-existent sanitation, over-population, insufficient access to electricity, inadequate access to education, corruption, communal violence, environmental degradation, gender inequality, inadequate infrastructure. Given the rise in the Indian population, the World Bank estimates that approximately 33% of the world's poor live in India.

## GOVERNMENT CONTEXT

### Government must be included

More than its counterparts in Europe, the government of India is maintaining responsibility for a large portfolio of impact areas, such as public utilities, water and sanitation etc. At the same time, government has up to now proved unable to provide widespread access to these utilities to large numbers of the population. As such, there remains a pressing need to work with government, alongside relevant NGOs, to help strengthen government systems in social development. Many companies however are reluctant to do so, given the high incidence of government corruption and many see government as more of an obstacle than a partner.

The danger of leaving government out is that parallel systems grow up that are not necessarily sustainable or accountable. Whilst there are notable examples of Business/NGO partnerships, Government must be included in this equation to create sustainability, reach, scale and accountability.

One area where greater potential for business NGO collaboration is in support of Public-Private-Partnerships, which are increasingly being developed in the 'social sectors' of health and education.

### CSR Guidelines launched in 2009

The Indian Ministry of Corporate Affairs launched a set of national voluntary guidelines for the social, environmental and economic responsibilities of business. These require state-owned businesses to spend 2% of profits on CSR, and creates the expectation that other enterprises will do the same.

Whilst on the one hand this represents a big opportunity, it also brings with it certain challenges as these companies can often lack the expertise to know how to manage these funds and the size of the budgets can result in decision-making committees that are slow and ineffective. Additionally, restrictions on the funds can mean that they cannot be used for operational running costs for NGOs, only capital investments. This limits how effective they can be in partnerships where often an NGO will need funds to cover staff costs if they are to be taken off existing projects/delivery. Some of the state-owned businesses are looking for large NGOs that can deliver high volume programmes, sometimes in multiple geographies in India.

## BUSINESS CONTEXT

### Strong business climate

There has been strong, consistent economic growth, with opportunities for business both domestically and internationally, and an increasing population of potential customers and employees. However key business challenges in India today are access to adequately educated and skilled employees, inadequate infrastructure to facilitate growth, inadequate governance systems and corruption, inadequate agricultural output for domestic and export markets, and inadequate access to power generation, green or otherwise.

### High trust in business

Indians, relative to other countries are pro business. In the 2011 Cone/Echo Global CR Opportunity Study of 10 of the 11 top global economies, 40% of Indian consumers said business made a positive impact on the world, the highest of all countries surveyed. 36% of Indian consumers (again the highest globally) say the role of business is to advocate for change. Indians are twice as likely as the global average (21% vs. 11%) to feel a rising awareness for an issue because a company is championing it and are also more likely to volunteer or donate to a cause companies trust. The same study asked what consumers would most like to see companies do. Whilst in India 23% wanted businesses to change the way they operate, 21% (highest of all countries in the study) said the role of business is to raise awareness and educate, indicating India Inc is an important voice that will be listened to. This represents great opportunities for companies that support causes and partner with related NGOs.

### High incidence of family-owned businesses

A strength of large family businesses is that often they have been operating over a long period of time and understand notions of longer-term stewardship and the issues surrounding it. On the other hand, with more discretionary decision-making, activities can be less strategically linked to core business.

### NGO CONTEXT

#### **Vast numbers of NGOs operate in India.**

The term NGO in India incorporates legal entities of Trusts, Societies and Section 25 non-profit companies which each have their own specific terms of reference and governance and fiscal structures. The term includes religious and sporting organizations.

The exact number of NGOs that operate in India is unknown given many are not registered. Attempts to quantify put the number at between 1 and 4 million, many of which are operations of 1-3 individuals based in rural areas.

#### **Reputation of lack of transparency, mismanagement and inefficiency**

Over the last two decades, companies driven by CSR directives and evolving public debate, started to engage in social outreach programmes. However, many got their fingers burned. Bad experiences included corruption at various levels of government, fraudulent or unprofessional NGOs, and financial mismanagement on all sides. Today, due diligence processes have been put into place, but recent interviews with companies still show that reputation and financial management are key concerns and criteria for choosing NGO partners. There is a 'history of mutual suspicion' between the sectors, especially between NGOs and business causing the need for both to operate transparently in a context that is demanding accountability.

### THE NEXT GENERATION WILL BE HEARD

Based on the 2011 CONE / ECHO global corporate opportunity study, "Indian citizens are a compassionate inspired and eager group of [corporate responsibility] students". Moreover, they want to be heard – as they are more likely than average to voice their opinion to companies (96% vs. 82% globally).

They also believe in companies and want business to not only support issues but also advocate for change (36% vs. 30% globally). If a company supports the issue they care about or takes the approach they most believe in, citizens in India almost unanimously agree they would reward companies with their purchasing dollars, loyalty and trust. Moreover, Indians are more likely than other nations to volunteer for and donate to a cause that a company they trust supports (96% vs. 78% and 94% vs. 81%, respectively).

Consumers in India are hopeful and believe companies have made a significant impact both on issues and on their personal lives. Eight-in-ten agree companies have helped educate them on social or environmental issues (vs. 59% globally), and 79 percent have been inspired by a company to support a new issue (vs. 56% globally). They are also highly trusting that companies are telling them the truth about their responsibility efforts (86% vs. 61% globally).

The Cone study concludes that there is a significant corporate responsibility opportunity in India as its citizens' passion and optimism mean they are willing to be both a company's fans and its evangelists. The environment is ripe for social entrepreneurship. However, companies should be cautious not to take advantage of their unusually high trust. India's citizens are an outspoken and argumentative group who will not hesitate to take a company to task if they sense a phony.

# PERSPECTIVES FROM AN SOS SYMPOSIUM

From the CSR Symposium on Evolving Trends in Corporate-NGO Partnerships in India, held in New Delhi on November 17 2011

India Inc's role in social development may emerge differently to that seen elsewhere because of the need to bridge the vast gap between rich and poor and because the largely rural 70% majority of Bharat are not consumers with expectations of business that will exert an influence on how business evolves.

Vivek Joshi, CSR Advisor, GAIL

The responsibility for creating equity among larger sections of society rests with Government. However, we do see a hybrid model emerging. There is a role for NGOs to be the catalyst, facilitator and watchdog for development initiatives. Corporations are facilitators through initiatives that are either implemented by them or by their NGO partners via financial and non-financial support.

Manish Jain, Director Health Policy, Johnson & Johnson India

The challenge for media is that it is difficult to make an entry and find out what is really happening on ground. The good work being done by NGOs and companies does not always reach the media fraternity as the companies and NGOs choose to remain silent about it. Sometimes this can also result in the good CSR work not being spoken about and the not-so-good CSR programmes being splashed in the media.

Ravi Tikoo, South Asia Editor, One World

Employee engagement is practiced as a one time activity, and through longer term association on specific projects. There are many takers for the first level as time is a constraint for employees. However, for any engagement, orientation and exposure to the cause via an NGO partner is a definite first step, and can lead to longer term associations.

Joyatri Ray, Director Projects, ING Vysya Foundation

Overall, there is no substitute to making credible work visible to establish trust among society members. Seeing is believing and NGOs have to make more efforts to create visibility of their work. The challenge of material and human resources is something NGOs will have to overcome, especially as there is an increasing pressure to be self-sufficient via support from the domestic economy.

Rakesh Jinsi, Secretary General, SOS Children's Villages of India

It's time we understand that power to influence outcomes and create change comes not from playing at well-known roles and pushing worn-out buttons, but from engaging properly with potential partners, listening to their perspectives and being honest about our own.

Joe Phelan, India Director, International Business Leaders Forum

# SEVEN EMERGING TRENDS IN BUSINESS-NGO PARTNERSHIPS IN INDIA TODAY

## 1. GROWING BUSINESS DEMAND FOR COMMUNITY PROGRAMMES AND ENGAGEMENT WITH NGOS

CSR initiatives in India are driven in part by the CSR guidelines that either compel state-owned companies or put pressure on non-state-owned companies and also derive from company-driven moral drivers to participate in the 'betterment of society'. Many companies have started up CSR departments and new community development programmes in the last few years and all see this as a growing trend. Whether initiating from external or internal drivers, the trend appears to be 'infectious' and is causing slow but incremental growth in business-NGO collaboration. There is a strong sense from companies that CSR and community involvement will soon be mandatory or considered 'essential' and that the years to come will see increased investment in organization and management in this area.

## 2. MORAL IMPERATIVES AS STRONG AS BUSINESS CASE FOR DRIVING CORPORATE ENGAGEMENT

Analysis of companies surveyed reflected that the drive to give back to society was still at the forefront of CSR activities rather than value to core business. A number of programmes are still based on a philanthropic model of giving – whereby no benefit is sought for the company outside of reputational value – and often programmes have no strategic alignment with either the nature of the business and its assets, or the competency set of its people.

Companies with longer standing programmes in India have learned from experience that partnering with NGOs can bring additional benefits that relationships at a distance cannot. These companies' CSR efforts are becoming more strategic and aligned to company core competencies and business. Indeed, unlike a number of countries where MNCs lead the way in terms of quantity of programmes and sophistication, Indian multi-national companies are leading the way in India.

There are also examples of companies originating abroad with long term presence in India, linking their community strategy with core business or their government relations. For example Johnson & Johnson is supporting rural village running costs with medical products, and Standard Chartered Bank invested in community sport in the run up to India's hosting of the Commonwealth Games.

## 3. INNOVATIVE APPROACHES FROM BUSINESS, GOVERNMENT AND NGOS ARE EMERGING

A new paradigm of 'shared value' or 'inclusive business' that sees business opportunities in development challenges has emerged. Building on the work of India's CK Prahalad and the notion of the 'fortune at the bottom of the pyramid' this new phenomenon sees large Indian companies increasingly address social issues as business propositions, such as low-cost housing, healthcare and education solutions for bottom-of-the-pyramid populations. Examples of companies looking to understand underserved markets and develop appropriate products include Tata, Nokia, Godrej, DataWind, MCX, ICICI Bank, Hindustan Unilever and Airtel. Examples of social enterprises include LifeSpring Hospitals, HarWa and Selco.

NGOs and government are adopting new approaches too, particularly in agriculture, green tech, skills and technology. Pratham, Naandi Foundation, Business Community Foundation and Bhavishya Alliance have all advanced approaches to engaging business in development. The National Skills Development Corporation was established by the government of India to find new, sustainable ways of supporting skills programmes in India at scale.

Support services also now exist to support large companies who wish to explore this type of business activity such as the Business Innovation Facility, CII-ITC Centre for Excellence in Sustainable Development, WBCSD, NASSCOM Foundation, Accenture Development Partnerships, the International Business Leaders Forum and FSG.

## 4. CORPORATE FOUNDATIONS ARE LEADING STRATEGIC DEVELOPMENT

India is unusual in seeing corporate foundations driving the shift from philanthropic giving to more strategic development, for example the ICICI foundation for inclusive growth, Bharti Foundation, The Paul Foundation and Tata Trusts. In many parts of the world a company foundation often becomes a way of outsourcing social responsibility, removing the need to make corporate operations more responsible. In contrast, in India, foundations have a greater legitimacy given the scale of social inequity and the amount of work to be done to bring about inclusive growth. There are many examples in India of companies separating

how they make their money, from how they give back. But there are also examples in India of companies with strong values that underwrite the ethics and connectedness of the business, while their foundation maximizes the developmental impact of the company and pools resources and expertise. Ultimately, the leadership of each business must understand and communicate the interconnectedness of their company's success with that of society at large. Given the scale of India, there is potential for foundations to make a large impact

#### **5. GROWING DEMAND FOR EMPLOYEE ENGAGEMENT AND HIGH INCIDENCE OF 'TRUE VOLUNTEERISM'**

Increasingly, companies are looking for opportunities for staff to get involved in community programmes, which can be an excellent method for beginning interaction and exchange between business, NGOs and communities, at the organizational and personal level, and for achieving impressive community and business benefits.

In practice, some multinationals report high incidence of volunteering in their Indian operations. Other companies find it hard to get staff to actually give time, even when opportunities are provided. Often employee engagement is being driven by company policy (top-down) rather than from growing demand from employees (bottom-up).

As in the West, volunteers tend to be either senior leadership or junior employees, with middle management often too concerned with business pressures to be able to spare the time. There are some instances of longer term engagement of employees utilizing business skills, such as Turner's production of India's equivalent of Sesame Street 'Gulli Gulli Sim Sim'. Fifty percent of mJunction's staff give time to train disadvantaged youth in IT, and HSBC use volunteer time to deliver skills training and education outreach in communities, while building the capacity of NGOs. Initiatives such as the Apeejay India volunteer awards, held for the first time in September 2011, showcase and recognise volunteers and the impact they can make.

There are also examples of self-organised volunteerism among professionals who volunteer for a cause they feel passionate about in addition to their paid job,

not linked to their employer. This results in NGOs that function without any paid staff, but rather on the co-operation between passionate young people who give their time for free in public service. On the one hand this raises issues of sustainability. However, it also represents a powerful spirit of responsibility and service and captures a new breed of visionary Indian who is turning away from opportunities to go abroad for high earning jobs in favour of staying in India to make a difference. Support to these organizations would need to respect and protect the volunteer spirit and passion whilst helping them to build sustainability into their systems.

#### **6. INCREASING RECOGNITION OF THE CONTRIBUTION OF CIVIL SOCIETY AND THE IMPORTANT ROLE AND DRIVE FOR NGO TRANSPARENCY AND PROFESSIONALISM**

On October 2nd 2011, The Times of India held its first Social Impact Award ceremony, recognizing publically civil society's contribution to India, shifting focus from business and government. The TOI ran a front cover story and a three page spread inside.

Some NGOs are tackling head-on the concerns of business about NGO reliability and are seeking greater transparency in their operations. New initiatives are helping them do this, such as the Credibility Alliance ([www.credall.org.in](http://www.credall.org.in)), a consortium of voluntary organisations, committed towards enhancing accountability and transparency in the voluntary sector through good governance.

#### **7. GROWTH IN DEMAND FOR PARTNERING EXPERTISE AND INTERMEDIARIES/BROKERS**

Organisations that can advise on or facilitate a matching process between companies and NGOs are growing, consistent with global trends, in recognition of the need and value of a third party to help navigate the partnering process. Online matching tools such as Karmayog.in, iVolunteer.in or Samhita.org, and organisations such as Business Community Foundation, Dasra and Common Purpose are just a few examples.

# FIVE OBSTACLES TO GREATER BUSINESS NGO COLLABORATION

The following five obstacles appear to prevent greater collaboration between sectors in India today:

## **1. Scale of domestic problems can be daunting**

This scale makes the challenges seem too big or at times there is an assumption that social investment is the role of government. However, government in India and around the world has proved to be incapable of solving all social problems alone. Indeed it is the government's recognition of this which has led it to promote CSR for inclusive growth in India.

## **2. Finding 'good' NGO partners**

There is a perception that NGOs are corrupt and inefficient. In reality, they are predominantly under capacity, in a way that companies often don't appreciate. Among companies surveyed, good reputation, financial and programme management/ reporting and ability to deliver effectively were all key attributes needed by companies and accordingly areas of greatest concern were transparency, misappropriation of funds, dishonesty and mismanagement. Damaging stereotypes of all sectors in society exist that hinder collaboration and create barriers. These can lead to misconceived notions of one sector of society having a 'monopoly on virtue - contributing and caring' or being 'impossible to work with', or being 'exploitative'.

### 3. The NGO management competency paradox

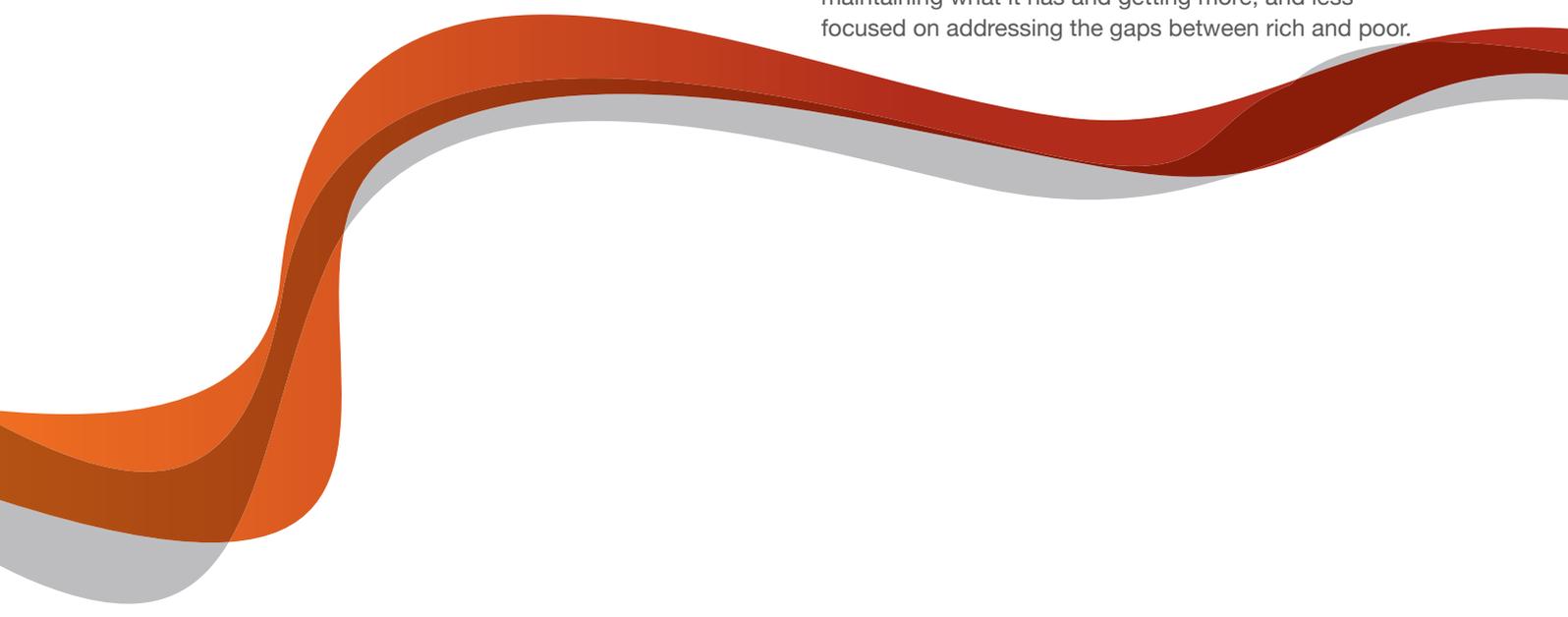
whereby companies say they want better skilled staff at NGOs who pay more time and attention to quality programme and financial management, delivery and reporting. Yet at the same time, do not want to pay high administration costs or fund NGO core and capacity building costs.

### 4. Highly competitive short-term business climate

whereby managers and employees think they don't have time to look at issues such as health and sanitation that provide medium/long term impact as opposed to direct short term achievements. This is perhaps due to the rapid growth of India Inc and companies have not yet had the time to see how social factors are integral to their businesses. There is also a great deal of pressure to 'get ahead and get to the top'. This work ethic, which focuses on achieving short-term results, favours a narrow focus on maximizing growth and increasing market share. In this climate, CSR and engagement with NGOs that is usually more focused on the medium to long term can be seen as a distraction. Moreover, there is a leadership gap - linked to the short-termism view - in both business and government where leaders can seem to look to make money as fast as possible whilst opportunities exist.

### 5. General public acceptance of status quo

CSR and engagement with stakeholders is still considered a 'nice to do' rather than a sustainable and profitable way of doing business. Whilst the move is away from philanthropy towards strategic investment, nonetheless the status of philanthropic giving is still a good yardstick for how acceptable it is to 'do good/give back'. In India, giving is not seen as 'glamorous' unlike some other countries where wealthy philanthropic industrialists boast of how much they give away and the difference they are making. Notable recent examples include Bill and Melinda Gates and Warren Buffet. The equivalent Indian trend of wealthy elite philanthropists is only now emerging, shown by recent examples such as Azim Premji positioning himself as a philanthropist in the western mold, the ETNow awards profiling philanthropy and the work being done by Dasra to strengthen the impact of philanthropy, particularly with wealthy NRIs from IT and Banking. However, despite discrepancies between rich/poor, it is still only a small percentage of India's rich, famous and successful who are visibly seen to invest their wealth - money, time, expertise and contacts - in helping India's poor participate in India's success story, or have access to the basic necessities. In India there is a pervading general acceptance of the disparity between the haves and the have-nots and well meaning, kind people, within society and business, give to the temple, support their sometimes large families but can at times seem undisturbed by the poverty they see everyday. This is compounded by the fact that middle-income India is new to its wealth and still focused on maintaining what it has and getting more, and less focused on addressing the gaps between rich and poor.



# OPPORTUNITIES FOR BUSINESS/NGO PARTNERSHIPS TO ACHIEVE A STEP-CHANGE IN SCALE AND IMPACT

2011 has seen the coming together of a number of factors that suggest that 2012 will be 'ripe' with opportunities for greater business/NGO collaboration. Whilst Government retains a responsibility to deliver public services, there is a role for NGOs to be a catalyst, facilitator and watchdog in development initiatives and a role for corporations/private sector to be a facilitator through initiatives that are either implemented by them or by their NGO partners via financial and non-financial support. By moving away from a donor-recipient mindset, business and NGOs can create opportunities at the organizational level but also have an impact at the macro level, helping to take India on the inclusive and sustainable development and growth trajectory that will make it a world leader.

## **BUSINESS CALL TO ACTION: THREE ORGANISATIONAL LEVEL OPPORTUNITIES**

### **1 BUILD CAPACITY OF CIVIL SOCIETY, NGOS AND GOVERNMENT TO BE BETTER PARTNERS WITH BUSINESS**

There is a need to build capacity and knowledge to meet the current gaps and areas of concern within NGOs. Business is best equipped to help NGOs make these changes and guide NGOs on the standards business requires by working with them in partnership.

- Build HR financial and programme management and reporting skills to help NGOs professionalize.
- Help NGOs understand the business needs in terms of communication, management and reporting, whilst recognizing their existing capacity limitations.
- Recognise the medium/longer term benefits of investing in NGO organizational capacity building and that in order for NGOs to provide a better service they require the time, funds and expertise to do this. If companies seek more professionalism from NGOs, be willing to help NGOs build these skills and systems through financial and human investment of time.

### **2 BUILD PARTNERSHIPS AND PROGRAMMES TO INCLUDE SKILLS-BASED EMPLOYEE ENGAGEMENT**

- Recognise the huge wealth of staff talent and provide opportunities that build staff capacity and engagement as well as provide functional support to NGOs that creates real impact and a sense of purpose.

- Raise awareness of the opportunities for staff with skills in areas such as accounting, auditing, financial management, HR, marketing, etc.
- Orientate and expose staff to the cause via the NGO partner to build greater understanding and longer term affiliation.
- Recognise the effect these skills can have in wider society, helping staff to feel even more valued for their capabilities and realize their potential for wider influence – within the business, in the NGO and in the community.
- Unlock the enthusiasm of employees to strengthen communities or take action on issues. Employee engagement can be a powerful motivator, team builder, and force for change. Examples might include ongoing engagement with a community, village or group such as tutoring children, or providing medium to long term support to an NGO in aspects of management or longer-term secondments to NGOs.
- Use these opportunities strategically for workers who need a break to avoid/recover from burnout or to build management expertise and capacity. Employee engagement is an accessible entry point that helps communicate company values to staff and engage them personally as corporate citizens. Bringing people from different sectors together through community programmes and NGO partnerships offers great potential for changing mindsets. Make use of visibility platforms such as India Volunteer Awards to profile the contribution of staff in this way.

### **3 FOCUS ON NICHE TOPICS WHERE TANGIBLE IMPACT CAN BE SEEN AND MEASURED**

- Focus time, effort and resources on niche topics that provide visible impact and a sense of achievement for all involved and can lead to programmes with greater status.
- Communicate impact and efforts and engage with the media to tell the story.

## **NGO CALL TO ACTION: THREE ORGANISATIONAL LEVEL OPPORTUNITIES**

### **1 INCREASE TRANSPARENCY TO COUNTER NEGATIVE STEREOTYPES AND IMPROVE COMMUNICATIONS.**

- Build and communicate reputation through partner testimonials as well as engagement in transparency initiatives such as the Credibility Alliance to face head-on the concerns of transparency and financial mismanagement.
- Make credible work visible to establish trust among society members. Communicate the quality and impact of the work being done and engage with stakeholders more widely than beneficiaries, including media. The opportunity exists to do this through programmes and wider networks and also by making use of the skills and expertise of company staff through employee engagement opportunities.
- Be open and clear about organisational limitations and opportunities. Improve communication to partners and more generally of what the NGO offer is.
- Recognise that regular communication with company partners on progress is part of healthy programme management and builds trust and transparency.
- Recognise company requirements for visibility and actively seek opportunities to help communicate their activities to both meet business need and inspire others to get involved. This can encourage more business partners for the NGO in the longer term. Explore new media as well as traditional media to tell the story.

### **2 PROFESSIONALISE MANAGEMENT & MEASUREMENT**

- Recognizing the self-interest in this activity as well as the advantages for attracting corporate partners.
- Improve project monitoring and reporting including informal feedback and documentation, financial matters to both build trust and measure impact.
- Recognise the need for effective and good staff and ongoing HR development.
- Seek help from companies to build your capacity.
- Be clear about timeframes and communicate these clearly.
- Be transparent in communication generally.

### **3 BE STRATEGIC, FLEXIBLE TO CREATE IMPACTFUL AND MUTUALLY BENEFICIAL EMPLOYEE ENGAGEMENT OPPORTUNITIES**

- Be adaptable and flexible in order to find common ground with corporate expectations and understand company objectives and drivers to be able to better find win-win collaborations.
- Present opportunities for collaboration in terms of meeting business need as well as ‘doing good’ such as opportunities that can improve the context in which companies are operating.
- NGOs can help companies engage and connect with, and begin to tackle, some of the issues that are affecting the populations where companies operate such as health, sanitation, education, waste collection, etc. In the medium and longer term this strengthens public health and education systems.
- Help companies find the balance between ground level activities around company sites and longer term inclusive growth for India.
- Create and suggest opportunities for company staff to be involved in programmatic work that meets real need as well as in organizational capacity building to meet NGO needs. Examples might be HR, financial management, technology skills etc.
- Seek to provide and create innovative opportunities that can provide value to all sides – company, employee, NGO, beneficiaries.
- Seek to help companies to market these opportunities internally so as to raise numbers of volunteers. Work with companies to manage volunteers effectively including proper orientation and clear roles and desired impact.

### **THREE OPPORTUNITIES FOR A STEP-CHANGE IN SCALE AND IMPACT AT THE MACRO LEVEL**

India is at a cross-roads and right now there is great potential for NGOs and businesses to work collaboratively to provide viable solutions to India's most pressing social and commercial issues.

#### **1 – LEVERAGE 'BUSINESS AS A TRUSTED PARTNER' TO LEAD CHANGE**

In India, business enjoys a greater degree of trust than in other countries, putting it in an ideal position to help educate on important issues. Companies can be a vocal, responsible voice for community and nation building as others will listen and follow, perhaps more so than to Government or NGOs at this moment in time. This represents a great opportunity for companies that support causes and partner with related NGOs.

A new role is emerging, consistent with India's historical precedent for business to lead change and inclusive growth and bring India with it on its journey to prosperity. Indeed, this trusted status brings with it a certain responsibility to engage in and advocate collective efforts to close the gap between rich and poor as well as some of the management know-how about how to do this effectively and efficiently. Recent research shows that if a company supports the issue they care about or takes the approach they most believe in, citizens in India widely agree they would reward companies with their purchasing power, loyalty and trust, showing that this role also brings with it benefits for the business.

Business has the power to increase the kudos and status of 'participating in inclusive growth' and can inspire and engage others more widely by leading a new Nation-building era that links India's economic growth with social, environmental educational, and health development. Business has the legitimacy to lead this movement India in collaboration with others, because it is the driver of the country's growth, because it is uniquely trusted, because it can provide scale, because it has a systems approach that can help solve some of the country's challenges.

#### **2 CAPITALIZE ON GROWTH POTENTIAL OF INDIA**

Opportunity exists to use the power of Indian Business to release the potential of India's might: the diversity and scale of its peoples. Whilst India is not immune to the global downturn, there is a recognition that business has a profitable as well as valuable role to play in creating inclusive growth by reaching into the informal economy through the business supply and value chains, by reaching into rural areas and providing India's marginalized with new products and services. However, this can only be achieved by connecting with markets and people that are currently out of reach. To bridge this gap NGOs are needed to bring their expertise, knowledge and connections. Partnering with NGOs can lead to innovation and new opportunities for the business

With over 600 million citizens under age 30 and tipped to be a new super-power, India is full of optimism. Reaching out to these young people and creating opportunities for every Indian to participate in the growth process and benefit from it will help business and India reach its potential.

#### **3 CREATE A LASTING LEGACY**

Business leaders increasingly understand their responsibilities as corporate citizens not just towards the environment, workers, customers, shareholders and general public but also future generations. With India's growing influence on the world stage, Indian Business will be affecting not merely future generations of Indians, but future generations around the world.

As India is poised to become a global superpower, what will be its legacy for the world? Which road will it lead us down? A road that leads to inclusive growth and innovative solutions to global challenges drawing on a culture of resourcefulness, or a road that leads to parallel worlds, one for the super rich and one for the super poor? The country that gave the world Gandhian philosophy and economics also espouses a 'survival of the fittest' mentality. The question for the future is which will gather most momentum? The choice for business is which legacy does it choose.

# CONCLUSION

India's strength is in her diversity and scale. India has all the resources she needs to solve the challenges she faces and claim her rightful place as a world superpower in the years to come. This great global status is not a given, however, and will only be achieved by the visionary leadership of enlightened Indian Businesses which understand that India's great potential as a nation will not be achieved by focusing their skill on building the economy alone but in creating value from India's wider 'wealth'.

Business acumen channeled not merely towards improving infrastructure through regulated public-private-partnerships but towards improving people skills and social systems including NGO and government efficiency will build stronger foundations for the growth required in the years to come.

For NGOs and Businesses, the investment of time and effort in overcoming the barriers to cross-sector collaboration and building quality relationships between sectors can release the rich diversity of skill, people, perspective and resources that constitutes India's wider wealth.

If all sectors can work together, this spicy and varied mix holds the key to numerous innovative opportunities as well as prosperity and growth for all of India's people and the prizes of national pride and global respect.



Panel and organising team from the CSR Symposium on Evolving Trends in Corporate-NGO Partnerships in India, held in New Delhi on November 17 2011

**SOS Children's Villages of India** is a non profit, non-government, voluntary organization, committed to the care of children in need and to strengthening families and communities as a preventive measure in the fight against abandonment and social neglect. The aim and objective of the SOS Children's Villages of India is to help parentless and homeless children by giving them a family, home and a strong foundation for an independent and secure life. SOS Villages of India is a member of SOS-Kinderdorf International, operational in 133 countries.

"SOS Children's Villages of India" was registered as a society and came into being in 1964. The first SOS Children's Village was established that year at Greenfields, Faridabad, Haryana.

Since its inception SOS Children's Villages of India has expanded its services for children in need at a rapid pace. Today, there are 33 SOS Children's Villages and a new village coming up at Tirupati, 122 allied projects like Kindergartens, Schools, Social, Medical, Vocational Training Centres and Outreach Initiatives spread across the country reaching out to over 15,000 children under Family Strengthening programme and 6135 children under family based care programme.

[www.soscvindia.org](http://www.soscvindia.org)

**International Business Leaders Forum (IBLF)** is a global non profit founded in 1990 and working with leading companies on the responsible business, leadership and growth agenda.

IBLF promotes business action in India on skills, anti-corruption and cross-sector partnerships, and promotes Indian business leadership internationally.

[www.iblf.org](http://www.iblf.org)

**The Partnering Initiative (TPI)** is a specialist programme of IBLF, and is widely recognised as a global leader in promoting cross-sector partnership as an essential way to tackle critical sustainable development challenges and providing practical skills and tools to do so.

TPI works with individuals, organisations, and systems to promote and develop partnerships for sustainable development - between business, government and civil society.

Working with key players from all sectors, TPI runs open access and tailored partnering training courses, publishes practical partnering tool books, guidelines and learning case studies as well as providing hands on support and guidance to organisations and multi-stakeholder partnerships in areas such as scoping partnering potential, partnership building, strategic advice, partnership reviews and troubleshooting. TPI works around the world through its network of trained associates and has its headquarters in London.

[www.thepartneringinitiative.org](http://www.thepartneringinitiative.org)