

CORPORATE SOCIAL RESPONSIBILITY: A CASE STUDY OF HYDRO POWER PROJECTS IN HIMACHAL PRADESH

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ABSTRACT

The Hydro Power Projects badly impact the environment and the ecosystem of the place where they are located. It affects the local community and society in various ways. The local communities and the society are the resource pool from which any organization gets its workforce and the license to operate. Therefore, corporate management should take into consideration social demands, and integrate them in such a manner that the business operates in accordance with social values. Through this study an attempt is made to analyse the CSR initiatives of Hydropower companies in Himachal Pradesh. The managers and the CSR representatives of the selected companies were approached and interviewed. They were asked to fill a semi-structured questionnaire to generate deeper insights about CSR initiatives of the companies.

Key Words: Corporate Social Responsibility, Community, Sustainability, Hydro Power Projects, Company's Act 2013.

INTRODUCTION

In the twenty-first century, corporate social responsibility (CSR) is a widely used term around the world. It is no longer just about making more money and surviving in the global market; it is also about how to compete and expand sustainably through CSR operations. Businesses can no longer simply buy and sell their products and services without taking into account the community and environment in which they operate. Companies collect resources from society in the form of raw materials, human resources. As a result, it is the responsibility of businesses to offer something back to society to contribute to the economy's development. The three pillars of corporate sustainability are environmental, social, and economic. The environmental and social pillars are at the heart of corporate social responsibility, which extends beyond legal obligations in these areas.

The World Business Council for Sustainable Development defines The Corporate Social Responsibility as the ongoing commitment by businesses to behave ethically and contributing to economic development while improving the quality of life of the workforce and their families, as well as the local community and society at large. CSR, also known as Corporate Responsibility, Corporate Citizenship, Responsible Business, and Corporate Social Opportunity, is a concept where companies respect society's interests by taking accountability for how their operations affect shareholders, the environment, customers, suppliers, employees, and other stakeholders. Companies have responsibilities and take measures beyond their legal commitments and economic/business goals when it comes to corporate social responsibility. These broader obligations span a wide range of topics, but they are

typically summed up as "social" and "environmental," where "social" refers to society rather than just social policy issues. This is known as the triple bottom line method, which combines economic, social, and environmental concerns.

Most attempts to describe Corporate Social Responsibility address only an aspect of it (Carroll & Shabana, 2010, Dahlsrud, 2008; Ghobadian et al., Danilovic et al; 2013 sprinkle & Maines, 2020. Carroll (1979) highlighted four main areas of CSR, which includes economic, legal, ethical and discretionary. Other definitions focus on the three basic models of CSR: CSR pyramid model, Intersecting circles and concentric circles (Geva, 2008) and other 5 dimensions of CSR: philanthropic, environmental, social, stakeholder and voluntariness dimensions (Dahlsrud, 2008). So, the three pillars of corporate sustainability are environmental, social, and economic. The environmental and social pillars are at the heart of corporate social responsibility, which extends beyond legal obligations in these areas.

These community ties and CSR commitments will improve the company's reputation and enable it to compete (Sharma and Kiran, 2013). The CSR idea tackles ethical concerns that affect how businesses decide how to give back to the community and their stakeholders (Boso et al., 2017). As a result, society is inclined to value and reward businesses that are seen as being socially responsible (Abugre et al., 2019).

The Section 25 Companies Act, 2013, went into effect on April 1, 2014, CSR was made mandatory under this act, and enterprises with a turnover of Rs 500 crore or more were required to spend 2% of their profit on CSR. Sectors were also established for CSR activity. CSR community initiatives should address the following challenges, according to schedule 7 of section 135 of the Companies Act:

- Ending hunger, poverty, and malnutrition, encouraging preventive health care, and providing safe drinking water are all priorities.
- Promoting education, special education, employment, and livelihood enhancement skills in children, the elderly, women, and the differently abled.
- Gender equality, women's empowerment, the establishment of homes and hostels for women and orphans, the establishment of old age homes, day care centres, and other senior citizen services, and measures to reduce inequities experienced by socially and economically disadvantaged groups.
- Preservation of national history, art, and culture, including the repair of historical buildings and locations, as well as works of art, the establishment of public libraries, and the promotion and growth of traditional arts and crafts.
- Benefits for the military, veterans, war widows, and their dependents.

- Promotional training for national, rural, Paralympics, and Olympic sports.
- Contribution to the Prime Minister's Relief Funds or any other central government fund established for the socio-economic development, relief, and welfare of SC, ST, other backward classes, women, and minorities.
- Contribution of funding to technological incubators at academic institutions that have been approved by the Central Government.
- A scheme for rural development- Swachh Bharat Abhiyan (PWC, 2014)

OBJECTIVES OF THE STUDY

- To analyse the CSR initiatives and practices adopted by hydro power companies in Himachal Pradesh.

SAMPLE AND SAMPLE SIZE

A sample of two Hydro Power companies has been taken namely:

- Satluj Jal Vidyut Nigam Ltd (SJVN) (NathpaJhakri)
- JSW Energy KarchamWangtoo Plant

The sample includes the managers and the CSR representatives of the selected companies. A purposive sampling technique has been used to collect the sample.

RESEARCH METHODOLOGY

To achieve the objective, the managers and the CSR representatives of the selected companies were approached and interviewed. They were asked to fill a semi-structured questionnaire to generate deeper insights about CSR initiatives of the companies. The sustainability reports of the selected companies, in-house journals, CSR related documents have also been analysed in detail. The community related CSR projects sites have been visited personally.

RESULTS AND DISCUSSIONS

SJVN's CSR and Sustainability Policy Statement and Objective: SJVN is committed to the concerns of its stakeholders and strives to maintain good standards of Corporate Social Responsibility (CSR) and Sustainability in its business activities. To meet this commitment, SJVN will respect the rule of law, local communities and societies at large and will make conscious efforts to enhance the quality of life and environmental sustainability through its CSR and Sustainability programs.

SJVN's Approach for CSR and Sustainability: SJVN is seen as a responsible corporate citizen, which strives to bring about an overall positive impact on societies living in socio-economic backward regions. Its CSR and Sustainability activities also cover a wide range of

issues relevant to the larger society, which have a lasting impact. SJVN endeavours to leverage green technology, processes, and standards to produce goods and services that contribute to social and environmental sustainability through CSR programs.

CSR ACTIVITIES OF SJVN:

- **Promoting Health & Hygiene:** SJVN is carrying out health and hygiene-related activities such as Health Care through Mobile Medical Units, Ayurvedic & Allopathic Health Camps, support the agencies for the development of the health facilities and major ailment prevailed in the concerned project areas, examine the relevance of the programs for the local community such as activities related to SWACH BHARAT ABHIYAN and help in the construction of toilets in project areas so that the benefit of health and hygiene programs reaching to poorest of poor.
- **Promoting education:** SJVN is supporting the cause of education by including special education and employment by sponsoring local youths in Govt ITIs/ Polytechnic colleges, scholarship for students giving thrust on EWS, BPL, PWD students, strengthening and augmentation of technical colleges; enhancing vocation and livelihood enhancement skill development programs especially among children, women, elderly and the differently-abled youth through accredited agencies aiming at employment generation and income enhancement.
- **Promoting gender equality:** SJVN is promoting gender equality through financial assistance for setting up of homes and hostels for women and orphans; old age home and day care centres.
- **Education and Empowerment Skill:** SJVN is running various programs in different project areas through agencies such as Himachal Consultancy Papumpare etc. Organization (HIMCON), Construction Industry Development Council (CIDC), Swavalamban, Ujjwal Bharat, Rampur, Education departments of HP, Prayas Society, Hamirpur, Society for the promotion of youth and masses (SPYM), Centre for Social Responsibility and Leadership (CSRL).
- **Ensuring environmental sustainability:** The major focus areas are to maintain ecological balance, animal welfare, agro forestry, conservation of natural resources and maintaining the quality of soil, air, and water by activities related to protecting and maintaining the environment including climate action energy conservation programs, soil conservation measures by setting up committees at CBOs, local govt. Panchayats, School Management Committees, Arunachal Pradesh, Himachal Pradesh, Irrigation & Health Department (HP IPH), etc. CM Relief Fund.
- **Disaster management:** It includes relief, rehabilitation and reconstruction activities by assistance during natural calamities, rehabilitation of family accepted by any natural

calamities or any other activities such as CM Relief Fund (Himachal Pradesh), departmentally etc.

- **Infrastructural community development:** SJVN is developing organizational communities at different project areas such as Bihar- Patna, Buxar MC, Shimla Maharashtra- Ahmednagar which prepare a project-wise inventory of infrastructure facilities created in the community, examine the local participation in building and maintaining the community assets and analysis of the impact of toilets constructed under Swatch Vidyalaya Abhiyan.
- **Preservation and promotion of Culture by respective state Government:** This is mainly done to analyse the impacts of the programs carried out under the component of promotion and preservation of culture and sports by consultation with the local communities regarding assessing their opinion on implementation, benefits, feedback of the sports and cultural programs.

CSR OBJECTIVE AND ACTIVITIES OF JSW ENERGY:

- **JSW CSR OBJECTIVE AND THEME:** JSW Group's ethical practices, transparent businesses, strong Corporate Governance and focused employees have contributed to making the Group's endeavours a success. Expansions, up-gradation and technological innovations are a way of life at JSW Group. JSW cherishes people and believes in inclusive growth to facilitate the creation of a value-based and empowered society through the continuous and purposeful engagement of society around. JSW Foundation, the JSW Group's social development division is in constant pursuit of making life better for communities with its various initiatives in the fields of health, education, livelihood, and sports along with art and culture. JSW Group firmly believes in strengthening social capital. It has adopted the Corporate Social Responsibility Policy were to address the issues related from the antenatal stage of life up to the reproductive age of 45 years under the theme '**Janam see Janani Tak, JSW AapkeSaath**' through a process of social inclusion.

LIST OF CSR ACTIVITIES AND PROGRAMS:

Improving living conditions (Eradicating Hunger, poverty, malnutrition): All the plants which are in remote area where the access to livelihood and nourishment, the poor infrastructure, and seasonal source of earning livelihood for the population has remained a continued challenge. The indicators as per the census and other scientific data indicate these at the initial stage of setting up plant location. Therefore, the major projects planned under this theme over the next three years include:

- Soil and water conservation.
- Enhancement of crop productivity and crop diversification.

- Complimenting government schemes such as ICDS- Integrated Child Development Scheme and NRHM – National Rural Health Mission (ANC, PNC, and Immunization).
- Linkages with the existing government schemes/ programs such as MNREGA, PURA Model Providing Urban Amenities in Rural Area model.
- Tracking of pregnancy and childbirth, screening of women for diseases such as cancer, hypothyroidism, bone density, etc.
- Improvement of the infrastructure of Primary Health Centre
- Awareness generation at the community level and establishment of Voluntary Counselling and Testing Centre (VCTC), Sexually Transmitted Infections (STI)/Reproductive Tract Infection (RTI)
- Trauma care services and reduction of incidences of breast cancer among women in the plant neighbourhood.

Promoting Social Development (Promoting Education, Skill Development, Livelihood Enhancement): Education is the basis for improving the quality of life of people, and JSW group both independently and in partnership with local government and civil societies has undertaken various programs for enhancing the productivity of the available workforce through engaging the youth with appropriate employability skills and assuring sustainable livelihoods. The activities planned under this theme include:

- Improving the infrastructure of local schools, training of teachers by establishing a computer-aided Learning Centre (CALC), and complimenting students with a Mid-day meal program.
- Remedial classes for children with slow learning, Life skill education, leadership and motivation of children by Institution-based education program for children with different abilities which create opportunities for access to higher education.
- Technical skill development by setting up rural BPO.
- Adoption of ITIs' (Industrial Training Institutes) and market-driven enterprises.

Addressing social inequalities (Promoting Gender Equality, Women Empowerment): Women are the primary focus for the development of the communities and the nation. The Company strongly believes in this philosophy and has planned various programs to strengthen the partnership of women in the process of development. Major activities planned under this include:

- Skill-building (vocational skills and employment)
- Economic empowerment (SHGs and entrepreneurship)

- Social Business (BPO, textile, enterprises)
- Facilitating linkages for destitute and widow

Ensuring Environmental Sustainability: Nurturing nature and adopting processes to enhance its sustainability remains a major goal of the Company. As a responsible corporate, the major interventions include Solid waste management, Sanitation, and personal hygiene, Afforestation, Rainwater harvesting, Harnessing science and technology, Fostering Local innovations.

Preserving National Heritage: Preservation and promotion of art, craft, culture, heritage, and monuments is one of the strong focuses of the Company. Key activities under this theme include:

- Preservation of art, crafts, culture, and monuments.
- Promotion of traditional art and culture.

Sports Training: Promotion and strengthening of sports in India have always remained a key interest area for the JSW Foundation.

Supporting technology incubators in central government-approved academic institutes: JSW is providing fellowships/ grants to academic institutions for technology innovations.

Rural Development Projects: Infrastructure development in the rural areas including roads, toilets, lighting, community centre, etc.

CONCLUSION

RECOMMENDATIONS AND SCOPE FOR FURTHER RESEARCH

The findings reflect that the selected companies for the study are maintaining sustainability reports annually. This finding is supported by the results of various papers in the literature as organizations are required to produce annual sustainability reports covering issues related to CSR and sustainable development.

The findings reflect that selected hydro power projects are actively engaged in fulfilling their responsibility towards community related CSR activities leading to socio-economic development and creation of self-sustainable society. Their participation above the traditional philanthropic levels has provided the benefits of brand building and creation of goodwill among the community.

CSR has added a long-term benefit of brand building and goodwill among communities as community members were satisfied with their CSR. The CSR activities of the selected hydro power projects have positively impacted the community in terms of socio-economic

development. The larger goal of CSR is to raise living standards while protecting corporate profitability or institutional integrity both within and outside of these organisations. Therefore, briefly, it can be concluded that CSR practices must be embedded in the strategies of the business for economic viability and social responsiveness.

RECOMMENDATIONS

Based on these findings, the study further provides recommendations to these companies related to communication policies, diversification of CSR related activities, formulation of CSR policy guidelines and action strategies and community participation and involvement.

The present study recommends that selected projects are required to formulate communication policies and strategies which can incorporate media to report and communicate regular and voluntary information about environment related CSR activities to the community members. This strategy can be a part of their public relation activities that can utilize media and through various awareness campaigns. This will help the companies to report and communicate CSR related information with their stakeholders in addition to maximizing the CSR value to their businesses.

The companies are recommended to include sustainability plans and strategies concerned with the environment in their credit.

ACC also needs to develop plans and action strategies to include and work on community related CSR activities. ACC should maintain good relationships with the community members for long term sustainability of business and goodwill through regular visits, one to one interactions and meetings. Therefore, it is recommended that the companies must develop and implement more strategies to spread awareness about CSR. To formulate CSR plans, companies are required to undertake need based assessments. The active participation of community members in CSR planning is required for the successful implementation of CSR programs.

SCOPE FOR FURTHER RESEARCH

The present study acknowledges several limitations, which in real sense forms the basis for further studies which correspond to the methodology used and the resource challenges.

To achieve the objectives of the study, semi-structured interviews, descriptive survey methods and content analysis methods have been adopted. These methods of collecting data have their own limitations which are reported in some studies. The present study agreed to the fact that these methods are complementary and support each other when applied together. Even then, there are some inadequacies in their usage. Several studies reported that the usage of interviews denies the study of evidence longitudinally on indicating how the companies have undertaken CSR practices over time to maximize competitive advantage.

In the present study, data is collected at a single moment at a particular time which may limit the accuracy of the research. The study is limited in scope not only to firms but also limited to CSR initiatives that are directed only to the community as a stakeholder. Therefore, future research should include other dimensions like customer, employee, suppliers and other stakeholder issues.

This study admits that the research in the field of CSR has a very broad scope in terms of dimensions and stakeholders. The present study covers two case study companies and their corresponding communities. Hence, it is also suggested to expand the focus of the research to include smaller and medium-sized firms and CSR in the context of globalization.

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