

CSR AND PUBLIC WELFARE – A CASE STUDY OF SECL BILASPUR

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Abstract: With the era of globalization in India since, companies earned huge profits and growth. CSR is looked as a charity previously which has now looked as responsibility by the companies. This way, companies were not only engage in the practice of community development and public welfare but also building up their brand by doing a good cause for the people. Such good causes affects the perception of the people and craft a good image in the mind of the people which paid back in terms of sale and brand loyal customers. This paper is an attempt to review the concept of CSR and assess the changes caused in the social status of the community. SECL is undertaken as the study company to assess the impact of CSR practices on the societal upliftment of the nearby rural people. A sample of 100 respondents were taken from the nearby villages of Bilaspur district and data is collected through structured questionnaire. The study concludes that the CSR practices of the SECL has brings the changes in the life of rural people in terms of infrastructure development and facility development which has positively impacted their lives.

Index Terms - Corporate social responsibility, CSR initiatives, CSR Challenges, Social welfare, Community development.

I. INTRODUCTION

According to the World Business Council for Sustainable Development, “Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” (Lindgreen et al., 2009). CSR is an “essentially contested concept”, “internally complex” and it had “relatively open rules of application” (Matten & Moon, 2008). According to van Marrewijk (2003), Votaw and Sethi (1973) defined CSR in a very interesting term: “It means something but not always the same to everybody”. By that they mean that almost everybody has a picture with CSR or Social Responsibility, but they do not always have the same definition or thought. It can be said that CSR is an umbrella term. “Overlapping with some, and being synonymous with other, conceptions of business-society relations” (Matten & Crane, 2005). Panapanaan, Linnanen, Karvonen and Phan (2003) mention the following three dimensions: social, environmental and economic as main dimensions of CSR. These dimensions mean that a firm should take into account these three dimensions to be corporate social responsible. “CSR is about doing business sustainably and ethically, as well as treating or at least addressing stakeholders’ concerns responsibly (Panapanaan et al., 2003). More and more, businesses are expected to act responsibly and make a profit for shareholders. Notwithstanding the increased social pressure to embrace corporate social responsibility (CSR), many businesses now realize that it also makes good business sense to adopt a socially responsible mindset given the numerous benefits that can result.

To attain this escalation in coal sector, coal mining projects need ‘Land’ which is a most important input resource. Mining is a location specific activity, which requires land where mineral deposit subsists. Thus for mining, land acquisition is the basic requirement. In the current socio-economic set-up land acquisition is an issue on fire that is drawing country’s concentration for addressing this intricate job. In fact, the issue of land acquisition needs high level of delicacy to make land acquisition easy and simpler. Coal companies have to well take care of the poor land owners by way of catering all socio-economic services with alacrity and sincerity according to the legal provisions and policies of the company. This will lead to develop social acquaintance with the villagers situated in and around coal mining projects. This social bonding can be developed with the help of Corporate Social Responsibility, with which companies can influence local communities by providing community assets like roads, culverts, bridges, community centers, schools, play grounds, ponds, market yards, bore wells, dug wells, hand pumps, public health centers etc. Therefore Corporate Social Responsibility to be discharged by companies becomes very significant in addition to the endeavor of government, NGO’s, and other social organizations. But impact of CSR is to be assessed properly for knowing whether CSR initiatives are influencing target beneficiaries i.e. villagers. So, this area requires associated research for Impact assessment study.

II. OBJECTIVE OF THE STUDY

Following are the objectives of this research:

- To study the CSR activities carried out and facilities developed by SECL
- To find out the perception of people towards facilities developed by the SECL
- To assess the impact of developed facilities over satisfaction of the vilalgers

III. METHODOLOGY USED

The aim of this study is to study the CSR initiatives and facilities developed by SECL in nearby villages and opinion of villages towards such initiatives. A sample of 100 respondents from 5 nearby villages to Bilaspur city has been selected using convenience sampling technique. For collection of primary data, interviews were conducted among the sample respondents through a structured questionnaire which is prepared on the basis of prior studies done on CSR. The initial questionnaire is drafted in Hindi, keeping the

low literacy rate of the rural population, so that people will be able to understand the questions easily and respond accurately. Data collected from interviews was filled in SPSS 21.0 for further analysis.

IV. DEFINITIONS OF CSR

Most definitions describe CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. **The World Business Council for Sustainable Development (WBCSD)** defines CSR as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large". **Kotler and Lee define CSR as** "Corporate social responsibility is a commitment to improve community well-being through discretionary, business practices and contribution of corporate resources. Corporate social initiatives are major activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility"

Corporate social initiatives are major activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility. The conclusion would be that there is no unanimity on the definition of what constitutes Corporate Social Responsibility (CSR). However what could be taken into account CSR is generally used to describe business's efforts to achieve sustainable outcomes by committing to good business practices and standards.

V. CHANGING TRENDS IN CSR: FROM CHARITY TO RESPONSIBILITY

An insight into the history of CSR reveals that till 1990s it was solely dominated by the idea of philanthropy. Considering CSR as an act of philanthropy, businesses often restricted themselves to one time financial grant and did not commit their resources for such projects. Moreover, businesses never kept the stakeholder in mind while planning for such initiatives, thereby reducing the efficacy and efficiency of CSR initiatives. However, over the last few years, the concept of CSR has been changing. There has been an apparent transition from giving as an obligation or charity to giving as a strategy or responsibility. Review of the case studies and work done on CSR by companies in India suggests that the CSR is slowly moving away from charity and dependence and starting to build on empowerment and partnership.

VI. CHALLENGES OF CSR

Although CSR has gained emphasis in India, there are several issues challenging its effectiveness and reach. A lack of proper understanding of the concept of CSR, non-availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. are some of the various challenges facing CSR initiatives. Absence of training and undeveloped staff is additional problems for reduced CSR initiatives. A survey conducted by Times Group survey elicited responses from participating organisations about various challenges facing CSR initiatives in different parts of the country revealed.

- **Lack of community participation in CSR activities:** There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.
- **Need to build local capacities:** There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.
- **Issues of transparency:** Lack of transparency is one of the key issues brought forth by the survey. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programmes, audit issues, impact assessment and utilization of funds. This reported lack of transparency negatively impacts the process of trust building between companies and local communities, which is key to the success of any CSR initiative at the local level.
- **Non-availability of well-organized non-governmental organizations:** It is also reported that there is non-availability of well-organized nongovernmental organisations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities. This also builds the case for investing in local communities by way of building their capacities to undertake development projects at local levels.
- **Visibility factor:** The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many non-governmental organizations to involve themselves in event-based programmes; in the process, they often miss out on meaningful grassroots interventions.

VII. DATA ANALYSIS & DISCUSSION

Demographic details of the sampled respondents are presented in table 1. It was found that majority of sampled respondents were male (73%) and female segment accounts for only 27%. It was also observed that majority of people belonging to age group of 31-60 years (64%) followed by the people of age group of 31-71 years and 21-30 years (13%), above 70 years (7%) and below 20 years (3%). The sample also consists of the largest chunk of married respondents (74%) whereas some respondents were found unmarried (26%). In terms of education of the people, it was found that majority of respondents were less literate having qualification upto 12th (67%) whereas some were found illiterate (20%) and other found qualified with education at the status of graduate level or above (13%). It was also revealed from the sample that majority of sampled respondents were agricultural farmers (75%) whereas some were wage labours (15%) and others are atricians (5%), business persons (3%) or employed in other works (2%). Overall the sample is diverse and should be fair representation of the actual population.

Table 1: Demographic characteristics (n = 100)

Demographic	Frequency	%
Gender		
Male	73	73
Female	27	27
Age		
Upto 20 Yr	3	3
21-30 Yr	13	13
31-40 Yr	27	27
41-50 yr	22	22
51-60 Yr	15	15
61-70 Yr	13	13
Above 70 Yr	7	7
Marital Status		
Married	74	74
Unmarried	26	26
Education		
Illiterate	20	20
Primary	15	15
Upto 10th	23	23
Upto 12th	29	29
Graduate & Above	13	13
Occupation		
Agriculture	75	75
Wage Labour	15	15
Artician	5	5
Business	3	3
Others	2	2

Table 2: Facilities developed by SECL under CSR

Road (Tar road, Concrete road)	77
Bridge/Culvert	3
Community hall/Community centre	17
Pond(New)	69
Cleaning/Deepening/Renovation of Ghat	64
Water Supply arrangement (Hand pump/Tube well/Dug well)	78
Overhead tank with pipe line and taps	57
Building for School	67
Additional class rooms in school	73
Toilets in school	75
Compound wall around the school	73
Building for Public health center	14
Play ground	5
Market yard	3
Street lighting/Solar light	49

Facilities developed by SECL under CSR initiatives are presented in table 2. It was found that SECL has majorly developed the roads (77%), New ponds (69%), deepening and renovating the ghats (64%), arranges water supply through tube wells and hand pumps (78%), pipelines and taps (57%). It was also found that SECL has built schools (67%) and built new classrooms in existing schools (73%), toilets in schools (745%) and compound wall of schools (73%). SECL has also arranged street and solar lights in the villages (49%). In some villages SECL has developed Community centres ((17%), health centres (14%), play grounds (5%), bridges (3%) and market places (3%).

Table 3: Villagers opinion towards facilities developed

Particulars	SD	D	N	A	SA
Provided infrastructure facilities by SECL meets the need to the people	5	11	27	38	19
We do not find any difficulty is using these facilities	-	9	21	57	13
The facility provided is accessible to everyone in the village	7	17	19	42	15
Quality of facilities catered by SECL is excellent	18	25	23	29	5
Facilities helps to face the emergency and maintain a sanitary living	19	14	29	31	7
Timely and satisfactory maintenance allows to use facility with interruption	9	15	22	47	7
Absence of any provided facility proves costly and reduce standard of living	-	12	16	63	9

Opinion of villages regarding the developed facilities by SECL is presented in table 3. It was found that majority of people found agreed that developed facilities meets their requirements (57%) and they do not face any difficulties in using the developed facilities (70%) and these developed facilities are easily accessible to everyone (57%) but majority of villagers opined that the quality of developed facilities is not so good (43%) and these facilities helps in facing emergencies (33%) whereas about 38% villagers find these facilities helps in facing emergencies and maintain a sanitary living. It was also found that villagers uses the developed facilities uninterruptedly due to timely and satisfactory maintenance (54%) and these absence of these facilities proves costly and reduces their standard of living and well-being (72%).

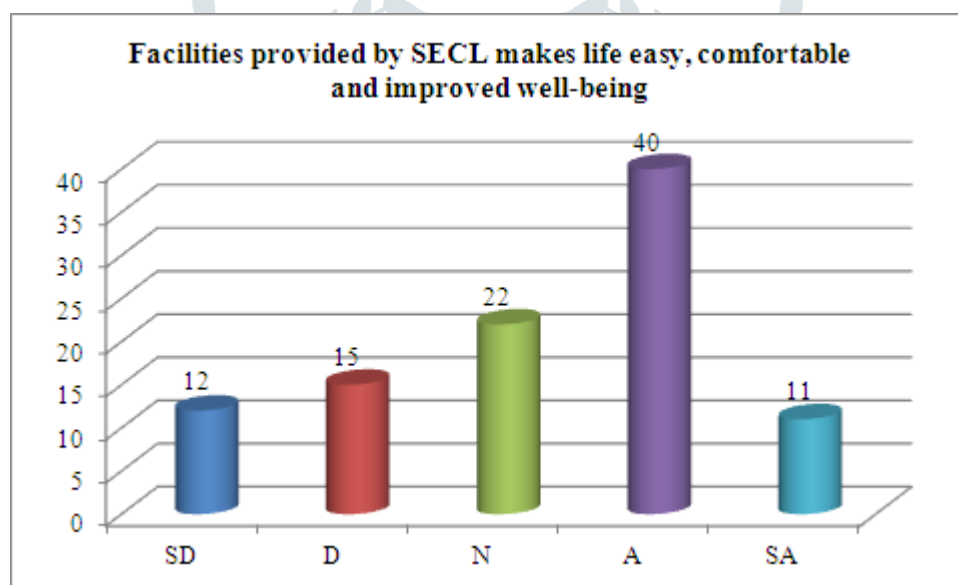


Figure 1: Facilities made life easy and improved well-being

Satisfaction of the villagers with respect to the developed facilities is shown in the figure 1. It was noted that majority of the respondent villagers were satisfied with the developed facilities stating that these facilities makes their life easy, comfortable and improved well0being (51%) whereas some villagers do not find the developed facilities satisfactory (27%) and about 22% of the respondents will not able to arrive at certain conclusion and remained neutral to the statement.

Table 4: Regression model summary (Facilities * Satisfaction)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.913 ^a	.892	.887	1.75012

a. Predictors: (Constant), Facilities meeting Needs, Accessibility, Quality of Facilities, Facilities meeting Emergency, Un-Interrupted Usage, Reduction in Cost of living

Table 5: One way Anova (Facilities * Satisfaction)

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9476.169	5	1209.453	613.682	.000 ^b
Residual	1460.217	392	3.725		
Total	9926.390	399			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Facilities meeting Needs, Accessibility, Quality of Facilities, Facilities meeting Emergency, Un-Interrupted Usage, Reduction in Cost of living

A set of regression analysis was carried out to assess the impact of facilities developed by SECL under CSR initiatives over satisfaction level of the villagers. All attributes of facilities developed were taken as predictor being satisfaction of villagers as dependent variable. As given by the R Square score, the degree of explanation of the dependent variable by the independent variables is very high at 89.2%. The model is statistically valid as given by the F score (F = 613.682). However based on the R Square value it can be summarized that different aspects of facilities developed under CSR initiatives create a variance of about 89% on the satisfaction level of the villagers.

VIII. CONCLUSION

An attempt has been made through this paper to know the CSR activities and initiatives undertaken by SECL and opinion of villagers towards these initiatives. CSR today is not anymore seen as charity rather it has been seriously taken as responsibility by the corporate world in India through which companies can build their brand image and able to contribute in the development of the nation. CSR is an integration of business and social development. From responsive activities to sustainable initiatives, corporate have clearly exhibited their ability to make a significant difference in the society and improve the overall quality of life. In the current social situation in India, it is difficult for one single entity to bring about change, as the scale is enormous. Corporate have the expertise, strategic thinking, manpower and money to facilitate extensive social change. Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track. This study shows that SECL has done good work by developing several facilities related to the well-being of villagers by improving the accessibility to the villages through development of roads, participated in the development of education, tried to integrate the social life of villagers through community centres and worked on the health aspects by developing health care centres. This study also shows a strong effect of the developed facilities on the satisfaction of villagers. This study recommends other corporates to work in the same manner for the development of the society as only one company can also did not bring the change in the society as discussed above. Hence, the entire corporate world has to undertake the task of societal development and public welfare for the development of the nation.

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