

CORPORATE SOCIAL RESPONSIBILITY, A STRATEGIC TOOL FOR SUSTAINABLE GROWTH: WITH SPECIAL REFERENCES TO POWER SECTOR COMPANIES IN INDIA

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ABSTRACT: Privatization and globalization in power sector companies led to increased exploitation of the earth's resources. Indian power sector companies are characterized by the struggle for the optimization of individual profits that has led to an imbalance between ecological equilibrium. Thus for power sector organizations corporate social responsibility (CSR) is a mandatory requirement. This is due to the fact that any power sector organization is mandatorily needs to understand the impacts of all its activities on social, environmental as well as economic regions. Initially maintaining ecological balance was considered as the duty of government only but now it calls off for an involvement from the commercial and business world including power sector. The major objective of this study is to highlight the importance of Corporate Social Responsibility as a strategic tool for sustainable growth of power sector companies in India, in the direction of safeguarding the environmental and social security and improving the quality of life while performing the functional activities. More importantly, the paper seeks to find the drivers of CSR in power sector. Finally, sample of 120 employees of Indian power sector companies have been taken to analyse various aspects of the Sustainable development and CSR. Results of the study indicate that CSR has been adopted by power sector companies to ensure greater coordination and balance between financial, environmental and public safety.

Key Words: CSR, Power sector, Sustainable Growth, Society, Environment etc.

INTRODUCTION

Corporate Social Responsibility can be defined as making and maintaining a healthy the relationship with the society and environment by the Corporate houses. Main aim of every business organization is to earn huge profits but this motive cannot help them sustaining for a longer period of time . Business alone cannot grow by avoiding the surrounding in which it is operating. Thus it becomes important for the businesses to take care of its surrounding and society.

“CSR is the responsibility of an organization for the impact of its decisions and activities on society, the environment & its own prosperity known as the TRIPLE BOTTOM LINE of people, planet and profit”.

There has been an increase in the demand for energy in developed as well as in developing nations. This is creating an increased pressure on the critical issues of environment modification which is firmly associated with the proficiency of exploitation of these power resources. Entirely business world is greatly influenced by increasing social risks. But, particularly organizations operating in the power sector are progressively encouraged to tackle these social and environmental issues – like the most determining on public health and ecological balance. Organizations operating in energy sector are continuously forced to fulfil their CSR to meet the pressures of the external social and environmental concerns. Energy is undoubtedly an indispensable component for social and economic development, all over the world. Moreover energy and power source, are required to meet the ever increasing needs of the continuously growing populace and maintain its financial growth and business survival.

There have been many myths related with concepts of the two viz. “sustainable development and corporate social responsibility” and also on the relationship between them. There is no agreement about their definition, however still there is a vague picture of whether these issues are corporate issues or government issues or belongs to both of them.

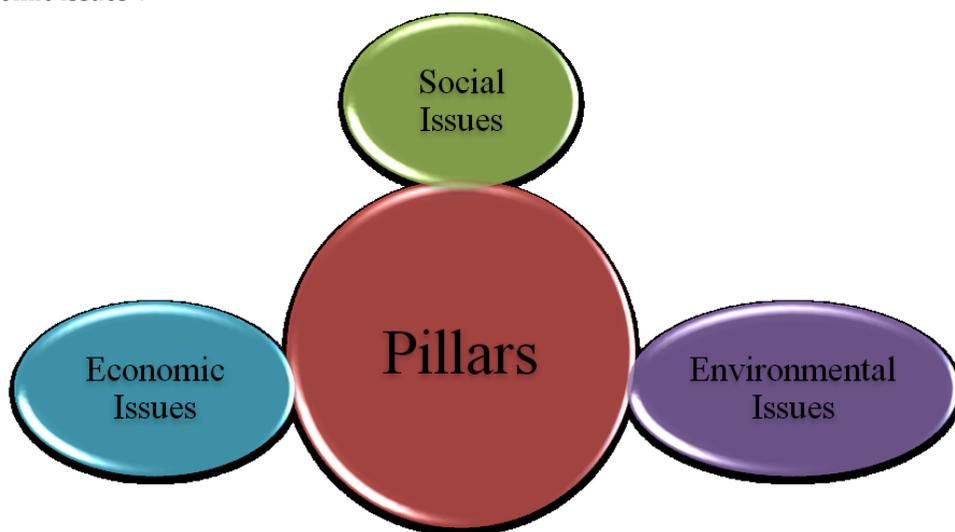
REVIEW OF LITERATURE

According to **Anupam Sharma, Ravi Kiran, (2013)** in the era of globalized sphere, the concept of CSR can't be overlooked by the businesses. Considering the fluctuating market situation business organizations have to change their work culture according to the market demand.

“Khan (2009) has investigated the corporate social performance of Indian FMCG businesses while Gugler and Shi (2009) viewed at the developing economies at large, relating CSR with global effectiveness. Ghosh and Chakraborti (2010) viewed at CSR as a developmental instrument, quoting the example of Tata Steel's work in India. Furthermore, Gautam and Singh (2010) observed at leading 500 Indian companies to investigate their CSR practices and identified only 135 of them performing their CSR and that very few companies have a well framed and strategic methodology”. Sangle (2010) and Ray (2013) observed the “critical success factors for CSR in Indian public sector, identifying the integration of CSR with other functional strategies as a crucial one”.

CORPORATE SOCIAL RESPONSIBILITY: THREE PILLARS IN POWER SECTOR

Three critical concerns recognized through “Uusimaa Regional Council in Cooperation with Baltic Sea Region countries (2007) and Wilde-Ramsing (2009)” displays wide-ranging checklist of pointers from the available literature that are required to give the fundamentals for framing a broad CSR policy. These critical concerns can be categorized into the “three pillars of sustainable development: social issues, environmental issues, economic issues”.



Social issues: In an advanced business world, social duty is the most critical issue of the three elements of CSR and it are thus drawing more focus and attention these days. An increasing number of companies are becoming fastly energetic in considering the social issues. “Social duty implies being responsible for the social impacts the organization has on individuals directly and indirectly”. Social issues allude to the effect that a power organization's activities have on the social prosperity of a nation or society.

Environmental issues: From last 4 decades, Environmental concerns have been a vital subject of study in the business world. The critical information and issues inside this dimension have dramatically changed over a period of time due to changing business models. Power generation can impact mother earth in numerous ways. Normally ecological effect refers to the negative impacts happening in the neighbouring natural habitat because of business activities.

Economic issues: These issues have been neglected since too long while talking about CSR. This dimension of CSR has been considered as well maintained since very long in the business world. This issue is thus a least understood concern by numerous individuals of the general population forming the business and public programs, and to be mentioned or considered in the corporate-responsibility plan.

Explanation behind this is that CSR is frequently falsely viewed as identical with monetary issues, which is the reason it has been expected simpler to adopt and execute than the remaining two elements of the CSR. Economic issues influence the advancement and supportability of financial improvement. While unmistakably energy organizations must make a benefit so as to proceed with their activities, monetary parts of organizations' tasks and effects are progressively debated from a CSR point of view (Stjepcevic and Siksnyte, 2017).

“All pillars ought to be in parity and grounded on responsibility – overall consistency and clearness of tasks”. The greatest essential issues inside every pillar in power segment are outlined in underneath Table.

Table 1. Social, environmental and economic responsibility in energy sector

Social responsibility	Environmental responsibility	Economic responsibility
Workforces' welfare, competence and incentive;	Measuring of environmental impact;	Cost-effective operations;
Open interaction with stakeholders;	Awareness and reduction of environmental impacts of energy production and transfer;	Fair prices and good service;
The quality of energy supply;	Minimisation of use of fossil fuels;	Investing in new technologies;
Good business practices and collaboration with the stakeholders, interaction with other organizations;	Reduction of pollution and emissions;	Reliability of energy supply;
Correct price for energy.	Renewable sources development;	Financial risk management.
	Control systems for waste and pollution.	

EVOLUTION OF SUSTAINABLE DEVELOPMENT AND CSR

Sustainable Development

The term sustainable development has emerged from eighteenth century where it was actually used for forest ranges. At that time, to ensure tree population protection only specific number of trees was allowed to cut. This was done to ensure a continuous supply of trees without damaging the current ecological balance and also to secure the resources for future generations. "The Club of Rome precipitated an international discussion due to its report –Limits to Growth (**Meadows, 1972**). Over the span of this discourse, an eco-development approach was made which affected the protection of resources and environment coming to the front. This improvement has led to the statement of mission of SD we have today. In 1987, the World Commission on Environment and Development defined SD as an ethical concept and has become the major definition of SD: Sustainable Development is an advancement that addresses the issues of the present without trading off the capacity of future ages to address their own issues. It contains inside it two key ideas: first the ideas of –needs, specifically the fundamental needs of the world's poor, to which dominant preference ought to be given; and second is the possibility of limitations forced by the condition of innovation and social organizations of the environments capacity to meet present and future needs". Along these lines the objectives of monetary and social improvement must be characterized as far as supportability in all nations developed and developing, market oriented or centrally planned. As mentioned in – "Our Common Future (World Commission on Environment and Development, 1987). **Elkington** goes more into detail when arguing that companies should not only focus on enhancing its value through maximising profit and outcome but concentrate on environmental and social issues equally (**Elkington, 1998**). Therefore SD is defined as a model of triple-bottom-line (**Tureac, Turtureanu, Bordean, and Modiga, 2010**)".

Corporate Social Responsibility

"While the term SD has primarily initiated to be used in the 80's, the system of CSR has already been recognized in the 50's and 60's. **Bowen defined CSR in 1953** - as one of the first - as an obligation to pursue policies to make decisions and to follow lines of action which are compatible with the objectives and values of society (**Douglas et al., 2004**)". "Initially, though, the term Social Responsibility was used instead of CSR. Social Responsibility states that economic and legal responsibilities of the companies should be stretched by certain duties to society (**McGuire, 1963**)". "Carroll contended that Social Responsibility occurs of 4 elements such as economic, legal, ethical and discretionary outlooks that society has of a company and that companies have to choose which level they address first (**Carroll, 1979**)".

Sustainability and CSR

Many CSR efforts have put Stress on social environmental and economic sustainability. Sustainability was initially perceived in terms of conserving the earth's resources. "In 1987, the World Commission on Environment and Development published a landmark action plan for environmental sustainability. The commission, named after former Norwegian Prime Minister Gro Harlen Brundlandt, defined sustainability as meeting the needs of the present without compromising the ability of future generations to meet their

needs. Companies are now challenged by stakeholders including customers, employees, investors and activists to develop a blueprint for how they will sustain economic prosperity while taking care of their employees and the environment”.

OBJECTIVE OF THE STUDY

- ☞ To study the corporate social responsibility activities as a strategic tool for sustainable growth of power sector organizations.
- ☞ To find out the drivers of CSR in power sector.

RESEARCH METHODOLOGY

The study under process is an empirical analysis of **Corporate social responsibility as a strategic tool for sustainable growth with special references to power sector companies in India**. Quantitative methodology is followed for this study. The main objective of this paper is to explore the relationship between CSR and its sustainable growth in power sector. To achieve this objective primary data survey has been conducted with the help of structured and questionnaire was tested on various dimensions CSR and SD. A sample of 120 employees of Power sector companies of India has been taken for the present study based on random sampling technique. After the collection of primary data through providing questionnaire to the respondents, the information is coded, edited, tabulated and presented in the form of tables, in a systematic manner to enable purposeful analysis and for drawing meaningful interpretation.

Data collection

Data collected through primary and secondary method.

Primary data collected from the employees of various power sector companies in India like Reliance power, Tata power, NTPC etc.

Secondary data collected through published research paper, magazines, journals etc.

Data analysis

Reliability was checked by means of cronbach’s alpha where in a value of more than 0.6 and above is regarded to be satisfactory for representing internal consistency.

Table 1:- Case processing summary

Case processing summary			
		N	%
Cases	Valid	120	100
	Excluded	00	00
	Total	120	100

From the above **Table 1** it could be interpreted that total case followed under examinations which were found valid were 120. Total numbers of cases were 120. Out of which 0 cases missing or excluded cases were recognized. All the responses collected through respondents and governed by the questionnaire were systematically filled and specific attention was given to all the respondents if required so that proper and confirmed responses about the issues could be collected.

Table: 2 Reliability statistics

Reliability statistics	
Cronbach’s alpha	No. of items
0.875	11

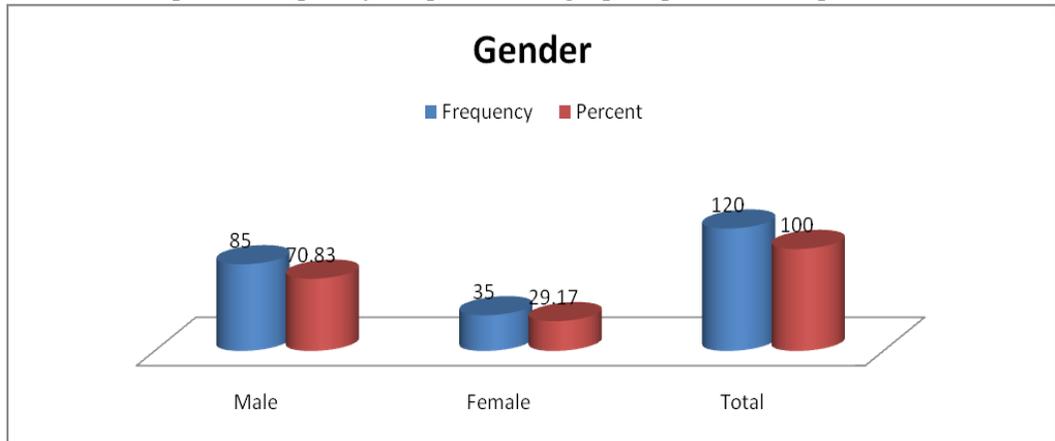
From the table 2, we find that value calculated of cronbach alpha for data through questionnaire is 0.875 which is a good indication of reliability and internal consistency.

“Cronbach's a (alpha) is an important psychometric instrument or tool to measure the reliability of data. The reliability coefficient indicates that the scale for measuring trust and commitment is a reliable. So, various statistical tools can be applied and tested”.

Table 3:- Frequency distribution of demographic profile of respondents

Gender					
Valid		Frequency	Percent	Valid percent	Cumulative percent
	Male	85	70.83	70.83	70.83
	Female	35	29.17	29.17	100
	Total	120	100	100	

Graph 1:- Frequency Graph of demographic profile of respondents

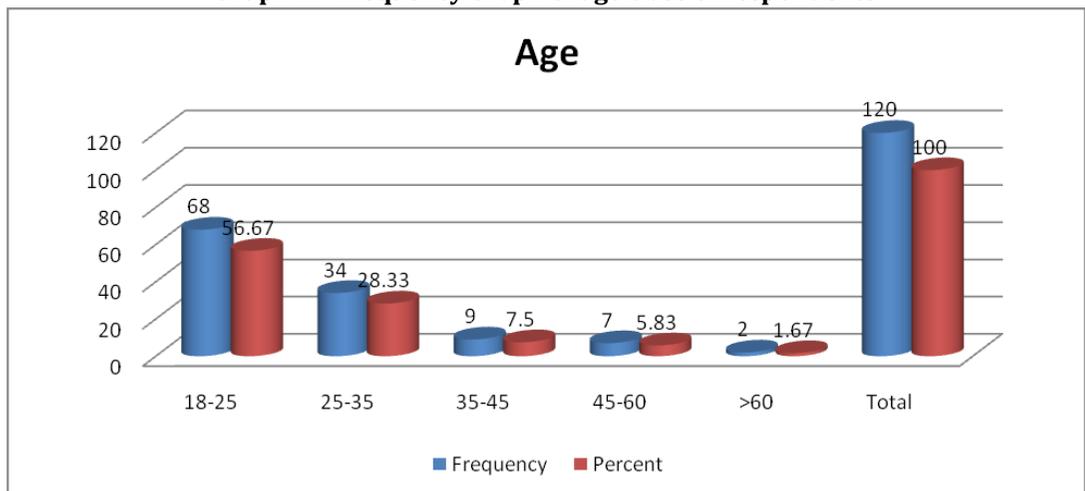


According to the Table 3, 85 (70.83%) respondents out of total 120 were male and 35 (29.17%) were female. It represents that power sector possesses less number of female employees as compared to their male counterparts.

Table 4: Frequency table of age class of respondents

Age					
Valid		Frequency	Percent	Valid percent	Cumulative percent
	18-25	68	56.67	56.67	56.67
	25-35	34	28.33	28.33	85
	35-45	9	7.5	7.5	92.5
	45-60	7	5.83	5.83	98.33
	>60	2	1.67	1.67	100
	Total	120	100	100	

Graph 2:- Frequency Graph of age class of respondents



According to Table 4, When classified on the basis of age, out of 120 respondents 68 were of age group 18-25, 34 respondents were of 25-35 age group, 9 lies in 35-45 age group, only 7 fall in 45-60 age group and remaining 2 were above 60 age group. Thus age group 18-35, comprises of maximum number of employees with majority of respondents in age group between 18-25 years. It shows power sector comprises of employees mostly of young age group.

To find the relationship between CSR as a strategic tool and sustainable growth in power sector companies in India following hypothesis has been formulated and evaluated using one sample statistics;

H₀₁:- CSR is not a strategic tool for sustainable growth in power sector companies in India.

H₁₁:- CSR is a strategic tool for sustainable growth in power sector companies in India.

Table 6:- One sample statistics

One sample statistics				
Parameters	N	Mean	Std. Dev.	Std. Error Means
Importance of CSR: CSR is a rapid and important tool for sustainable growth	120	4.32	.861	.091
Result of CSR implementation: Adoption of the CSR activities is certainly working for betterment of society.	120	4.01	.651	.049
Success of CSR: The power sector companies are successfully performing activities for society development	120	4.21	.915	.071
Effectiveness of CSR: Company’s CSR activities are effective for development of society.	120	3.89	.478	.045
Impact of CSR: I feel that these CSR activities influenced me to think for societal development	120	3.92	.768	.061
CSR effect on society: I feel that my company’s CSR activities have affected the society positively.	120	3.90	.899	.074
CSR as an engaging activity: By using these CSR activities my interest in CSR have been increased.	120	3.32	.679	0.54
CSR in facilitating decision making: Use of these CSR activities help me to take better decisions and to work for society.	120	4.41	.821	.069
Results: After seeing CSR result, the probability of CSR contribution to society will be high.	120	4.05	1.121	.081
Influencing peers using CSR: By using CSR activities, I usually motivate my friends to work in those companies.	120	3.54	.819	.071
CSR as a stimulus: I am likely to revisit the site related to CSR works.	120	3.91	.941	.075

Table 6 pertains to eleven statement used in the questionnaire for the 120 respondents. The highest mean has been accorded to the statement 4.48, wherein, ‘by using these CSR my interest in CSR has been increased’. Since the standard deviation is also lowest at 0.478, a lot of convergence in belief is observed. This is a good sign, for sustainability. It also favours the first statement that, CSR is a fast and important tool for sustainable growth, though the deviation is a little more at 0.886, which implies a little less conviction as compared to the earlier statement closer to these CSR activities help me to take better decisions and to work for society’, which implies that the thought of CSR is getting imbibed in one’s thought process.

We need to now focus on the lowest score of 3.32 pertains to, ‘by using CSR activities, I usually motivate my friends to work on those companies’ which means that though CSR is a good activity yet people are not very positive to recommend. Such companies are not yet considered best for employment. The next lowest mean of 3.89 pertaining to Company’s CSR activities are effective for development of society’, with the lowest deviation of 0.045. This means that the respondents are not very convinced that CSR is really doing well for the society and they strongly feel that CSR has been failed in accomplishing its objectives. The belief that viewing at the results of one company performing CSR, other companies will also follow the path of social welfare, differs a lot as the deviation is the highest at 1.121. Hence we have some respondents very convinced and some poorly convinced when asked about their interest in revisiting the site of CSR and a huge deviation of 0.075 was observed.

Table 7:- One sample statistics

One sample statistics						
Parameters	Test value= 0					
	T	df	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
Importance of CSR: CSR is a rapid and important tool for sustainable growth	61.439	119	.000	4.447	4.30	4.59
Result of CSR implementation: Adoption of the CSR activities is	73.014	119	.000	4.067	3.96	4.18

certainly working for betterment of society.						
Success of CSR: The power sector companies are successfully performing activities for society development	56.021	119	.000	4.140	3.99	4.29
Effectiveness of CSR: Company's CSR activities are effective for development of society.	96.554	119	.000	3.847	3.77	3.93
Impact of CSR: I feel that these CSR activities influenced me to think for societal development	63.347	119	.000	3.940	3.82	4.06
CSR effect on society: I feel that my company's CSR activities have affected the society positively.	54.639	119	.000	3.920	3.78	4.06
CSR as an engaging activity: By using these CSR activities my interest in CSR have been increased.	80.118	119	.000	4.460	4.35	4.57
CSR in facilitating decision making: Use of these CSR activities help me to take better decisions and to work for society.	67.300	119	.000	4.427	4.30	4.56
Results: After seeing CSR result, the probability of CSR contribution to society will be high.	48.113	119	.000	4.007	3.84	4.17
Influencing peers using CSR: By using CSR activities, I usually motivate my friends to work in those companies.	49.187	119	.000	3.533	3.39	3.68
CSR as a stimulus: I am likely to revisit the site related to CSR works.	50.846	119	.000	3.980	3.83	4.13

As per the Table 7, results show that all the eleven statement are significant at 0.001 confidence level and inferences can be drawn as CSR is a fast and important tool for sustainable growth and adoption of the CSR activities is really working for society. The power sector companies CSR work has a significant impact on society development and it influence individual to engage more into it. All these parameters in table 7 shows that all significant value are 0.000, which is less than 0.05 (P-value), this means we have to reject the null hypothesis and accept the alternative hypothesis that corporate social responsibility is a strategic tool for sustainable growth in power sector companies in India. Thus, CSR has been proved to be a successful tool for gaining competitive advantage for power sector companies in India.

Furthermore, for evaluating the significant relationship between the male and female perception about the CSR as a strategic tool for sustainable growth in power sector companies in India, following hypothesis has been formulated and evaluated using test of homogeneity variance.

H₀₂:- There is no significant difference perception based on gender, about the CSR as a strategic tool for sustainable growth in power sector companies in India.

H₂₂:- There is significant difference perception based on gender, about the CSR as a strategic tool for sustainable growth in power sector companies in India.

Table 8:- Test of homogeneity of variance

Test of homogeneity of variance			
Gender			
Levene statistics	Df1	Df2	Sig.
166.985	2	117	.000

Levene's test for equality for variance is used to check the variance in male and female respondents and it was found to be significant at 0.000 levels.

Table 9:- ANOVA (Gender)

ANOVA					
Gender					
	Sum of square	Df	Mean square	F	Sig.
Between group	5.740	2	1.870	10.945	.000
Within group	25.120	117	0.171		

According to Table 9, the significance value of gender (0.000) is less than 0.05 so we reject the null hypothesis and accept the alternative hypothesis that there is a significant difference between the male and female perception about the CSR as a strategic device for sustainable growth in power sector companies in India. This deciphers that both the gender, male and female groups of personals hold different perception regarding the corporate social responsibility as a strategic device for sustainable growth in power sector companies. This may be the reason for standard deviations observed in the usefulness of CSR activities, as one concept of CSR may appeal males and females or vice versa.

For evaluating the significant relationship between the Various age groups perception about the CSR as a strategic tool for sustainable growth in power sector companies in India, following hypothesis has been formulated and evaluated using test of homogeneity variance.

H₀₃:- There is no significant difference among the ‘various age group’ perception about the CSR as a strategic tool for sustainable growth in power sector companies in India.

H₃₃:- There is significant difference among the ‘various age group’ perception about the CSR as a strategic tool for sustainable growth in power sector companies in India.

Table 10:- Test of homogeneity of variance

Test of homogeneity of variance			
Age			
Levene statistics	Df1	Df2	Sig.
28.390	2	117	.000

Levene’s test for equality for variance confirms that there is homogeneity of variance observed at a significance level of 0.001.

Table 11:- ANOVA (Age)

ANOVA					
Age					
	Sum of square	Df	Mean square	F	Sig.
Between group	22.401	2	11.200	15.305	.000
Within group	107.573	117	0.732		

According to **Table 11**, the significance value of age (0.000) is less than 0.05 so we reject the null hypothesis and accept the alternative hypothesis that there is a significant difference between the ‘various age groups’ perception of respondents about the CSR as a strategic device for sustainable growth in power sector companies in India. This deciphers that all the age groups of respondents hold different perception regarding the corporate social responsibility as a strategic device for sustainable growth in power sector companies.

CONCLUSION

Thus from the discussion and analysis done above we can now conclude that the role of corporate social responsibility in the long-term sustainable development of society and the country cannot be denied and it is high time that the companies in the power sector, which have a huge establishment with a large contribution to the social cause should adopt CSR as a strategic tool for reaping the benefits of sustainable development. CSR and related activities holds the power to revolutionize the economic development of the nation. Bottlenecks in the prevailing financial and welfare schemes, encourages CSR to address societal and environmental issue optimally. The principal aim of this study was to explore CSR as a strategic too for sustainable growth in power sector companies and it is suggested that the activities need to be expanded, so as to create interest in both the genders spread across different age group. Therefore, it could better conclude that there is a corporate social responsibility is an effective strategic tool for sustainable growth of power sector companies in India areas for improvement in these CSR technologies as strategic tool have also been identified.

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