

Corporate Social Responsibility-A Case Study of GMR Chhattisgarh Energy Limited

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Abstract: The Concept of CSR is slowly evolving with the development of India. The voluntary compliance of social and ecological responsibility of companies is called Corporate Social Responsibility. The Concept of CSR moves from philanthropy and charity to women empowerment & rural development and then to community development. Corporate social responsibility is the commitment of Organizations towards all stakeholders which includes employees, shareholders, investors, regulators, consumers and community. The main domain of CSR activities are employee welfare, women empowerment, social and economic development, community welfare and environmental issues.

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that. This paper highlights the concept of CSR and practices exhibited by GMR Chhattisgarh Energy Limited.

Keywords: Corporate Social Responsibility, Power Sector, philanthropy, Women Empowerment, Stakeholder

1. Introduction

The United Nations Industrial Development Organization (UNIDO) has defined corporate social responsibility (CSR) as “a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is a way in which companies achieve a balance of economic, environmental and social imperatives”.

In order to streamline the philanthropic activities and ensure more accountability and transparency, the government of India made it mandatory for companies to undertake CSR activities under the Companies Act, 2013. The concept of CSR is defined in clause 135 of the Act, and it is applicable to companies which have an annual turnover of Rs. 1,000 crore or more, or a net worth of Rs. 500 crore or more, or a net profit of Rs. 5 crore or more.

Under this clause, these companies are supposed to set aside at least 2% of their average profit in the last three years for CSR activities. The law has listed out a wide spectrum of activities under CSR, which cover activities such as promotion of education, gender equity and women’s empowerment, combating HIV/AIDS, malaria and other diseases, eradication of extreme poverty, contribution to the Prime Minister’s National Relief Fund and other central funds, social business projects, reduction in child mortality, improving maternal health, environmental sustainability and employment enhancing vocational skills among others.

2. Literature review

Low (1985) used descriptive statistics on annual reports of 80 listed companies in Singapore, to find that though the level of corporate disclosure did not depend upon industry but higher levels of social disclosures were found by award winning companies.

Gray, Owen, & Maunders in 1987 defined CSR as “the process of communicating the social and environmental effects of organizations economic actions to particular interest groups within society and to society at large”. Similarly, Perks 1993 defined corporate social reporting as “the disclosure of those costs and benefits that may or may not be quantifiable in money terms arising from economic activities and substantially borne by the community at large or other stakeholders”.

Gary and Gray (1988) concluded that corporate social responsibility is a part of value added statements (VAS) and shall promote cooperation among various stakeholders though there is some ambiguity regarding the inclusion of some parties as genuine stakeholders.

Corporate social responsibility (CSR) has variously been described as a “motherhood issue” (Ryan, 2002, p. 302), “the hot business issue of the noughties” (Blyth, 2005, p. 30), and “the talk of the town in corporate circles” (Mees and Bonham, 2004, p. 11). While the term CSR may appear to be relatively new to the corporate world, the literature reveals that the evolution of the concept itself has taken place over several decades

Marne (2005) proposed a transnational model of corporate social responsibility (CSR) that permits identification of universal domains, yet incorporates the flexibility and

adoptability demanded by international research. The end result is a multi-dimensional typology that permits the organisation and development of empirical CSR research in an internal setting

Fronk et.al. (2005): analysed three views of CSR and CSP one view is that development occurred from conceptual vagueness, through clarification of central constructs and their relationships. other view that hardly any progress is to be expected because of the inherently normative character of the literature. Final view is that progress in the literature on the social responsibilities of business is observed or even hampered by the continuing introduction of new construct this survey explores which of these three views better describes.

Mittal et.al. (2008) reported that there is little evidence that companies with a code of ethics would generate significantly more economic value added (EVA) and market added value (MVA) than these without code.

Buchholtz (2006), in his study on CSR, Corporate Social and Financial Performance: an empirical study on a Japanese Company examined the relationship between corporate social performance (CSP) and corporate financial performance (CFP) through a quantitative analysis. The study was conducted on 295 companies which is one-tenth of the listed companies in

Japan. The result showed a significant relationship among CSP, Equity Capital Ratio and the number of employees.

Vasanthi Srinivasan (2010) in his study on CSR and Ethics in Medium, Small and Micro Enterprise in India attempts to draw from the existing body of knowledge from both the academic and popular literature in India to identify the CSR practices and develop a research agenda for responsible business practices in the small-medium enterprise in India. The findings highlighted that most of the studies done in the Indian context have largely been qualitative and exploratory in nature. The study also revealed that since small-medium enterprises contribute significantly to the economy and are geographically spread in a country like India, adoption of CSR and ethical practices is crucial to a balanced development. There is a rarity of academic research in this area and therefore the researcher opines that a study of the intra-country similarities and differences in adoption of CSR practices in small-medium enterprises could be a valuable exercise for policy makers.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled "Emerging trends of CSR in India" analysed 30 companies of 11 sectors listed in the Bombay Stock

Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing,

FMCG, Oil & Gas, Cipla etc. The study concluded that the companies today are working not only to earn profit but have also realized the importance of being social friendly. Social Responsibility today has started taking a turn in the new direction.

3. Objectives

1. To know the scope of CSR in GMR Chhattisgarh

Energy Limited.

2. To analyze the CSR Policies and Practices in the Company.
3. To study the various scheme for social development.

4. Methodology

This study was conducted using secondary data. In this study data on the CSR was collected from the websites, annual reports, newspapers and CSR reports.

A. Limitation of the study

This study was done exclusively on CSR activities exhibited by GMR Chhattisgarh Energy Limited.

B. GMR Chhattisgarh Energy Limited

GMR Energy is a part of the GMR Group, which is one of the largest diversified Infrastructure Conglomerates in India . With an operating capacity of over 4400 MW, it has a balanced fuel mix of coal, gas, LSHS as well as renewable sources of wind and solar energy. Apart from this, plants of over 2300 MW generation capacity are under various stages of development in India and Nepal.

C. Salient Features of the Plant

- i. 1,370 MW (2X685 MW) super critical coal based power plant located in Raikheda, Tilda block, Raipur district, Chhattisgarh GMR
- ii. Both units have been commissioned. COD of Unit 1 was declared in June 2015 and for Unit 2 in March 2016.
- iii. The plant has been granted a provisional Mega Power Project status by the Chhattisgarh Power Project.

D. CSR Activities at GCEL

GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR Group. Its mandate is to develop social infrastructure and enhance the quality of life of communities around the locations where the Group has a presence. The Group has been undertaking CSR activities on a significant scale since 1991. The Foundation is registered as a Section-25 (not-for-profit) Company in the year 2003 with its own separate Board comprising of eminent people in the field. It has its own professional staff drawn from top academic and social work institutions. CSR Activities of GCEL are designed, delivered and managed by GMRVF.

The foundation handles CSR operations for GCEL from its newly shifted office at Raikheda. The The Foundation activities in Chhattisgarh are focused in eleven villages Raikheda, Chicholi, Gaitra, Sontara, Murra, Tulsi, Khamharia, Konari, Bartori, Tarashiv Chatod and Samoda. These villages are from Tilda and Aarang block of District Raipur. It is engaged in basically four areas—Health and Hygiene, Education, Empowerment and Livelihoods and Community Development. Approximate population of these villages is 35,000.

Table 1
CSR Approach Matrix at GCEL through GMRVF

Sector	Strategic Focus	Interventions	Stakeholders
EDUCATION	Quality Improvement Infrastructure Supplementation	MLS Design and Implementation, Navodaya Entrance Coaching , Tutions for children , Pratibha Coaching , Kids Smart Centre, Saksham Scholarship, Para Teachers (Vidya Volunteers) , Training on Creative Learning Transportation Facility forCollege goingGirls, School Infrastructure Improvement, Drinking Water for School, Anganwadi Improvements.	Children-Students , College going girls, Anganwadi Children and Staff,Parents, School Staff, School Management , Village Panchayat
HEALTH, HYGIENE & SANITATION	Preventive Health and Diagnostics and Hygiene & Sanitation Curative Health and Emergency Services	Health Awareness Camps, Community Dispensaries, X Ray Machine at CHC Kharora, Blood Bank at Mission Hospital Tilda, Tiles under Swach Bharat Abhiyan, Individual Toilets, Maintenance of Public Toilet Mobile Medical Unit Services, In Patient referral arrangement with Tilda Mission Hospital, Malnutrition Intervention	Villagers , Children, Pregnant Women, School Children, Doctors, Mitanin, Victims of accidents , Patients ,Village Panchayat Representatives
EMPOWERMENT and LIVELIHOODS	Empowerment Livelihood	Individual Income Generation Activities, SHG Development, Vocational Training Computer Training	Women, Unemployed Youth , Unemployed men, Farmers , Disabled Individuals

5. Education

CSR supported 22 Vidya Volunteers in 13 government schools reaching out to 1312 students. The honorarium is paid through a joint agreement between the Panchayat, School and the Foundation. The flagship component MLS – Minimum Learning Standard graduates to next level with some inbound hurdles. This year 400 students got benefited from this program that showed an increase in academic performance. Foundation provided 50% support in salary payment to 10 teachers is Raikheda High School, it hasmade possible that the average passing score for the school is above 80%. Teachers’ Training Workshop on innovative teaching methodologies that benefitted 30 teachers. Coaching for the Navodaya Entrance Examination for 45 students in 3 villages resulted in better learning levels of the students and got 2 selections as well. Saksham Scholarship to 9 deserving students pursuing their higher education. Transport facility helped 45 girls continue their higher education coming from 6 villages. Drinking Water support for 200 students at Chicholi School through Dual Solar Pump approved by CREDA is a good examples of line department integration. Kid’s Smart centre had 110 students in its regular sessions and 200 plus kids in its Summer Camp.

6. Healthcare

At present foundation is running 6 dispensaries in Project Affected Villages (PAV) catering to an average of 600 patients per month through OPD services. Door Step Services to old-age people continued to do good with 35 individuals receiving services in the reporting period. Mobile Medical Unit is catering outreach services and has covered 2200 patients from

9villagesfrom Tilda and Arang blocks.MMU is also providing school health checkup sessions on regular basis.Nutrition component is being executed in 4 villages to provide proper nutrition and antenatal services to pregnant and lactating women. A nutrition menu was developed and nutrition supplements were provided to 62 pregnant women regularly at the center. Weekly Health Sessions focused on personal hygiene, diarrhea, seasonal ailments, pregnancy complications and precautions, cancer and malnourishment, breast cancer–benefitting more than300women. X-Ray machine at CHC Kharora served 577 patients while the Blood Bank at Tilda Mission Hospital collected430 units of blood. Sanitation component had 2 public toilets benefitting 86 under privileged families and the foundation got tiles fitted in 500 individual toilets.

7. Empowerment and Livelihood

The foundation trained 156youths in 3 courses (Mobile, TV Repairing and domestic electrical works) at the Vocational Training Center. Out of which 126 students made use of training for their livelihood. Advanced Training cum Production Centre with professional sewing machines was established at Raikheda with 65 women getting trained. In 3 village tailoring training centres 135 women completed basic tailoring course.36youths received computer training at the Computer Literacy Center in which is now shifted to the new CSR office premises at Raikheda.6 SHGs got Rs.15000 each as revolving fund and 16 SHGs got CC Limit of Rs.1,50,00 each. There are now 488 women organized under 41 SHGs with a collective savings of Rs.12 lakhs. 16 SHGs were put on an experiment for vegetable cultivation that gave very positive

results. Entrepreneurship training provided for 25 members of ChiRag for selfemployment and income generation. Animal Husbandry Camps, Vaccination and de-worming services for 1200 cattle in 4 villages was provided. In the reporting period 3 students of Pratibha Career Development Centre cleared teacher ability test, 1 student selected for Awas mitra. 91 students of Pratibha coaching center have filled examination forms of banking, state services, Revenue department, food inspector and patwari. Books at the 7 Community Libraries helped 32 youth earn graduation degree with a monthly visit count of 3000 users. Income Generation Support was provided to 100 fishermen and other 20 families with varied business activities.

8. Findings

1. Village Health Dispensaries had always been a great pillar in the CSR activities of GMRVF since they were conceived. Their collaboration with Tilda Mission Hospital too was a good alliance. Following an order from the state government all practices of prescribing or providing medicines by non-qualified or authorized individuals was declared illegal. Hence foundation had to stop the direct services of health volunteers where they used to provide and prescribe medicines to the villagers. However the weekly visit of doctors through partners is being organized regularly. Besides Mobile Medical Unit is there as well trying to bridge the gap by increasing the outreach. Health dispensaries need to get restructured in this changed situation.
2. Self Help Groups have been given some inputs towards economic and productive activities. Support in form of training and financial assistance from NRLM has also been very helpful in this regard. It was observed that SHGs need more restructuring. One possible alternative could be to reduce support from SHGs in a phased way after a certain level of maturity or after a successfully functional linkage with NRLM.
3. Education as a segment under the CSR umbrella has registered a steady development in the reported period. Navoday coaching facility not only is giving selections but is also changing the overall perception about the education standards in the region. One very good aspect of this exercise has been the rise in demand for quality education inputs from the parents. Foundation may use this to further strengthen the Minimal Learning Standard component.

4. The key attraction of the CSR inputs was – Tailoring Training and Garment Production Centre. This new set up is placed just by the side of new CSR office at Raikheda. It has best professional sewing machines. This centre is set up under the support from GMR DIAL CSR New Delhi. It was observed that women are learning professional sewing and are gearing up for marketable production of garments.

9. Conclusion

It can be concluded from the above study that GCEL is actively exhibiting Social Responsibility in various fields like Health, Education, Women Empowerment, Environmental protection. Policies are in place with regard to CSR. Company is having Integrated Management System to upgrade and improve the quality, health and environment management system.

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