

**Analysis of Impact of Corporate Social
Responsibility Initiatives of Indian Coal
Mining Industry on Society - with Special
Reference to Korba Coalfields of Chhattisgarh
(India)**

By

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Introduction:

There is the urge for extensive CSR activities in India to upgrade the standard of the deprived and destitute and at the same time to protect the environment. Owing to constraints before the government, to upgrade the societal status, the CSR has been made mandated for the selective corporate on the basis of profitability. Public opinion about the mining industry is not good as it is perceived that mining causes major damage to the land, water and air resulting huge pollution due to its mining operations like blasting, transport and handling, i.e., loading and unloading. So the impact of mining operations is not usually acceptable to the local residents, communities in particular and the entire society in general. In order to pacify the anguish of the public, it has been beneficial to take care of local communities and society with their community social development projects. Coal Mining Industry of India has been going for the CSR activities to upgrade the societal standard. The Coal Company Korba Coalfields of Chhatisgarh (India) is no exception to it. It has also been serving the peripheral villagers through multiple CSR initiatives. The present study is confined only to two such initiatives – Village Infrastructure Facilities and Health Facilities.

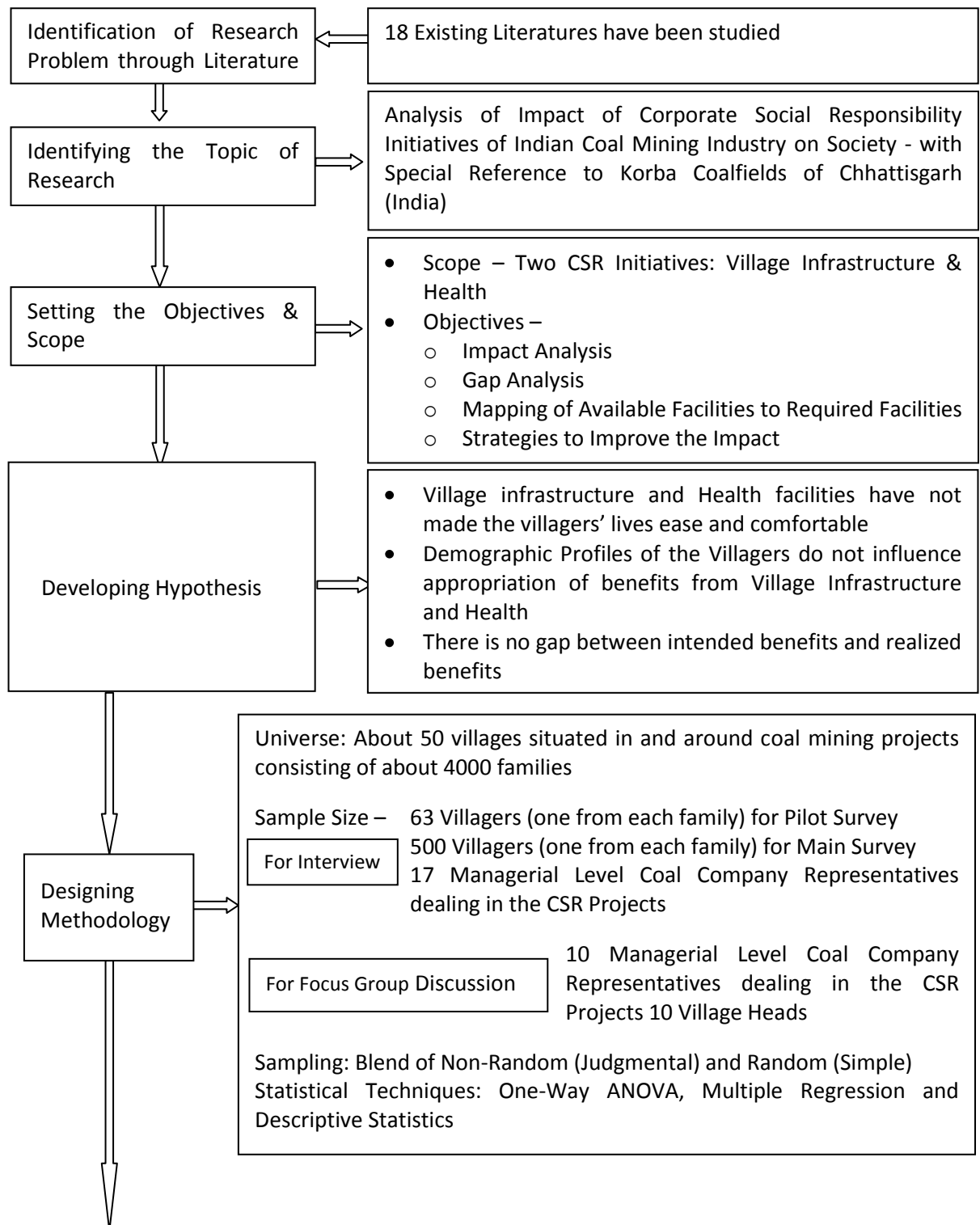
Mere offering of CSR initiatives won't serve the purpose of developing social bonding. It is to be seen that

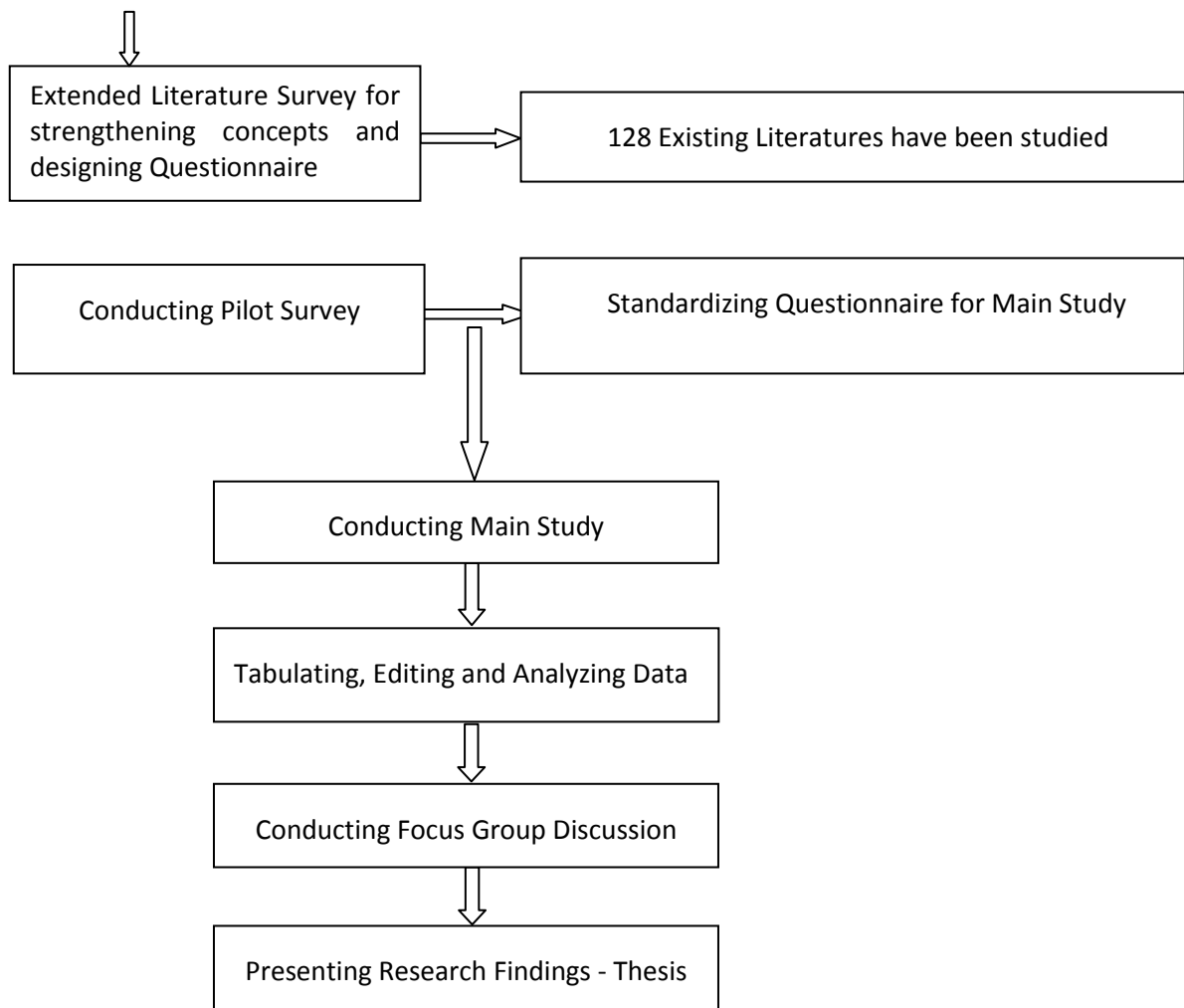
- The facilities offered are in line with the requirements of targeted beneficiaries,
- Facilities are usable and are in use,
- Facilities are upgraded regularly and
- Gaps if any between the intended benefits and realized benefits are identified and suitable strategies have been devised to bridge the gap.

The above mentioned points have been aptly investigated in this research.

Research Design

Framework of this research is presented below.





Problem Statement, Review of Literature and Research Gap:

Too often the community views the business organization's aims as selfish gain rather than advancement of the general welfare. This impression can be removed only if corporations are fully alive to their social responsibilities and helps our society to function in harmony. There is every possibility of perceiving the concept of CSR activities in a wrong way owing to traditional and rigid mind set of the projected beneficiaries and making propaganda against the efforts of the business houses in this regard by the vested interest-group people and community. At the same time, because of some additional expenses of the business houses for CSR activities and being unaware of the exact benefits accrued to both the parties, very often the business houses

do CSR activities just for their duty-sake keeping their whole-hearted involvement aside from the project. By doing so, not only they cheat the society but also they get cheated by their own deeds. In fact, they do not put their sincere effort in implementing CSR initiatives with regard to the actual requirement of target group of community, then such attempts would go in vain. Had the projected benefits been assessed properly, probably every business house would have preferred to adopt the CSR activities as strategy for their growth and development. Thus there is a gap between what potential impacts the CSR activities bring forth and what the stakeholders perceive on it. There should be proper assessment of the impact of CSR activities on the society as a whole which requires Impact Assessment Study, in turn; it helps to strengthen the social bonding between coal producing company and adjacent communities of villages.

- Had the projected benefits been assessed properly, probably every business house would have preferred to adopt the CSR activities as strategy for their growth and development. (Urge for Impact Analysis)
- Thus there is a gap between what actual positive impacts (benefits) the CSR activities bring forth and what the hosts (coal companies) perceive on it or what the beneficiaries intend to have. (Urge for Gap Analysis)
- Sometimes there may be mismatch of CSR initiatives needed by the projected beneficiaries and initiatives floated by the business houses. (Urge for Need Analysis).

On the basis of problem statement mentioned above, in order to identify the research gap, as mentioned in research design, 146 existing literature including four Ph. D. theses have been surveyed.

While existing literature reveals a lot about Impact of CSR initiatives on Organizations' performance, Impact of CSR initiatives on society has also been getting attention by the researchers. But there is a research gap on Impact of CSR initiatives by Organizations like the Coal Company in Korba Coalfields of Chhatisgarh on the villagers' living. Moreover, research on Gap Analysis and Need Analysis is scanty and the same for Organizations like the Coal Company in Korba Coalfields Limited is beyond the purview of the researchers.

Objectives:

The objectives of this study are as follows:

- To assess the impact of corporate social responsibility activities (of Village Infrastructure and Health) on communities in and around Korba coal fields of Chhattisgarh.
- To find the gap, if any, between the real benefits and the intended benefits felt by the beneficiaries from the CSR initiatives and reasons for so.
- To find the gap, if any, between the real benefits appropriated by the beneficiaries and the perception of the host regarding benefits to be appropriated by the beneficiaries from the CSR initiatives and reasons for so.
- Mapping available facilities under CSR initiatives (of Village Infrastructure and Health) to required ones through usage in order to avoid mismatch, if any.
- To devise the strategies for improving positive impact of CSR initiatives on society and abridging the gap so emerged, if any, between the real benefits and the intended benefits of the CSR initiatives.

Hypotheses :

Village Infrastructure

Overall Impact :

H0 : Village infrastructure facilities have not made the villagers' lives ease and comfortable leading to well-being

H1 : Village infrastructure facilities have made the villagers' lives ease and comfortable leading to well-being

Impact of Demographic Profile (Age-Group):

H0 : Age-group does not matter in appropriating and getting benefitted from the infrastructure facilities, provided by Coal Company, leading to villagers' lives ease and comfortable. In other words, there is no

significant difference among different age-groups concerning the impact of infrastructure facilities in making villagers lives ease and comfortable.

H1 : There is significant difference among different age-groups concerning the impact of infrastructure facilities in making villagers lives ease and comfortable.

Impact of Demographic Profile (Education) :

H0 : Educational qualification does not matter in appropriating and getting benefitted from the infrastructure facilities provided by the Coal Company leading to villagers' lives ease and comfortable. In other words, there is no significant difference among different educational qualifications of respondents concerning the impact of infrastructure facilities on making villagers' lives ease and comfortable.

H1 : Educational qualification does matter in appropriating and getting benefitted from the infrastructure facilities provided by the Coal Company leading to villagers' lives ease and comfortable.

Impact of Demographic Profile (Occupation):

H0 : Occupation does not influence the infrastructure facilities making the villagers' lives ease and comfortable. In other words, there is no significant difference among different occupation of the villagers in appropriating and getting benefitted from the infrastructure facilities, making their lives ease and comfortable.

H1 : There is significant difference among different occupation of the villagers in appropriating and getting benefitted from the infrastructure facilities, making their lives ease and comfortable.

Impact of Demographic Profile (Income Level) :

H0 : Income level of the villagers does not influence the impact of infrastructure facilities provided by the Coal Company, making the villagers' lives ease and comfortable. In other words, there is no significant difference among different income levels concerning their influence on the impact of infrastructure facilities making villagers' lives easy and comfortable.

H1 : There is significant difference among different income levels concerning their influence on the impact of infrastructure facilities making villagers' lives easy and comfortable.

Health

Overall Impact :

H0 : Health Services provided by Coal Company have not made villagers' lives more efficient in the form of performance in earnings, savings and cheerfulness leading to well-being

H1 : Health Services provided by Coal Company have made villagers' lives more efficient in the form of performance in earnings, savings and cheerfulness well-being

Impact of Demographic Profile (Age-Group):

H0 : Age-group does not matter in appropriating and getting benefitted from the health services provided by the Coal Company, leading to improved performance in earnings, savings and cheerfulness. In other words, there is no significant difference among different age-groups concerning the impact of health services provided by Coal Company on the performance in earnings, savings and cheerfulness.

H1 : Age-group does matter in appropriating and getting benefitted from the health services provided by the Coal Company, leading to improved performance in earnings, savings and cheerfulness.

Impact of Demographic Profile (Education) :

H0 : Education qualification does not matter in appropriating and getting benefitted from the health related services provided by the Coal Company, leading to improvement in the efficiency in the form of performance of villagers in earnings, savings and cheerfulness. In other words, there is no significant difference among different age-groups concerning their impact on performance in earnings, savings and cheerfulness.

H1 : Education qualification does matter in appropriating and getting benefitted from the health related services provided by the Coal Company, leading to improvement in the efficiency in the form of performance of villagers in earnings, savings and cheerfulness.

Impact of Demographic Profile (Occupation) :

H0 : Occupation of villagers does not influence whether health services provided by the Coal Company have been reflected in the efficiency of any family in the form of performance in earnings, savings and cheerfulness. In other words, there is no significant difference among different occupation levels concerning their influence on the impact of performance of health related services in earnings, savings and cheerfulness.

H1 : There is significant difference among different occupation levels concerning their influence on the impact of performance of health related services in earnings, savings and cheerfulness.

Impact of Demographic Profile (Income Level):

H0 : Income level of villagers does not influence whether health services provided by the Coal Company have been reflected in the efficiency of any family in the form of performance in earnings, savings and cheerfulness. In other words, there is no significant difference among different income levels concerning their influence on the impact of health related facilities on the performance in earnings, savings and cheerfulness.

H1 : Income level of villagers does influence whether health services provided by the Coal Company have been reflected in the efficiency of any family in the form of performance in earnings, savings and cheerfulness.

Pertaining to Gap

H0 (1) : There is no gap between the real benefits and the intended benefits felt by the beneficiaries from the CSR initiatives.

H1 (1) : There is gap between the real benefits and the intended benefits felt by the beneficiaries from the CSR initiatives.

H0 (2) : There is no gap between the real benefits appropriated by the beneficiaries and the perception of the host regarding benefits to be appropriated by the beneficiaries from the CSR initiatives.

H1 (2) : There is gap between the real benefits appropriated by the beneficiaries and the perception of the host regarding benefits to be appropriated by the beneficiaries from the CSR initiatives.

Pertaining to Need

H0 : There is mismatch of CSR initiatives needed by the projected beneficiaries and initiatives provided by the company.

H1 : There is no mismatch of CSR initiatives needed by the projected beneficiaries and initiatives provided by the company.

For the Representatives of the Coal Company

H0 (1) : Managerial personnel perceive that Village infrastructure facilities have not made the villagers' lives ease and comfortable leading to well-being

H1 (1) : Managerial personnel perceive that Village infrastructure facilities have made the villagers' lives ease and comfortable leading to well-being

H0 (2) : Managers' perception - Health infrastructure facilities have not made the villagers' lives ease and comfortable leading to well-being

H1 (2) : Managers' perception - Health infrastructure facilities have made the villagers' lives ease and comfortable leading to well-being

Methodology :

For impact analysis,

- The Observation Method has been used to find out changes in two time elements – before the launch of CSR initiatives and after a period of time (about one year to five years) since the launch of CSR initiatives - pertaining to;
 - Living standard
 - Incidence and depth of diseases, and Infant mortality rate
 - Ambience of the village
 - Inclination towards getting educated
 - Use of modern gadgets by the villagers

- The Primary data are also collected to know the feel good ratio of the villagers in the same two time elements. This being a qualitative aspect of research, the data are collected through in-depth interview, questionnaire/schedule and observation.
- The Impact Analysis is done Initiative/Scheme wise; Two initiatives have been considered in the research – Village Infrastructure and Health

For Gap Analysis,

- While the data collected for Impact analysis yield the actual positive impacts of any CSR initiative, the data related to the host's perception on it or the data related to the intended benefits of the beneficiaries are collected through direct personal interview method.
- The Gap Analysis is done Initiative/Scheme wise; separately for village infrastructure and health.
- After finding the gap, if any, the reasons for such gap are analyzed by covering Implementation agencies in survey.

For Need Analysis,

Need Analysis is done in order to know whether the CSR initiatives provided by the Coal Company are in use of the projected beneficiaries or they need something else.

For the purpose;

- Both primary and secondary data are used
 - to know the facilities the villagers are already accessing, and
 - the necessary facilities they are deprived of.
 - to know their priority towards the set of facilities they are deprived of.

Universe : About 50 villages situated in and around coal mining projects consisting of about 4000 families

Sample Size –

For Interview	63 Villagers (one from each family) for Pilot Survey 500 Villagers (one from each family) for Main Survey 17 Managerial Level Coal Company Representatives dealing in the CSR Projects
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For Focus Group Discussion	10 Managerial Level Coal Company Representatives dealing in the CSR Projects 10 Village Heads
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- Sampling: Blend of Non-Random (Judgemental) and Random (Simple)
- Statistical Techniques: One-Way ANOVA, Multiple Regression and Descriptive Statistics

Quantitative techniques that are used are;

- a) One-Way ANOVA
- b) Multiple Regression
- c) Descriptive Statistics

Findings :

The Study finds that there is a seeable improvement in the life-style of the villagers due to the village infrastructure facilities provided by the Coal Company in the Korba Coalfields of Chhattisgarh (India). Hypotheses established in this research are;

- Village infrastructure facilities have made the villagers' lives ease and comfortable
- The age-group does not significantly impact in appropriating and getting benefitted from the infrastructure facilities, making the family's life ease and comfortable
- The educational qualification does not significantly influence in appropriating the benefits of the infrastructure facilities, making the villagers' lives easy and comfortable

- Occupation of the villagers does not significantly influence the impact of the infrastructure facilities, making the villagers' lives easy and comfortable.
- Income level does not significantly influence the impact of the infrastructure facilities in making the villagers' lives ease and comfortable.

It also found that Coal Company in Korba Coalfields has impacted the health condition of the targeted villagers positively. Hypotheses established in this respect are;

- Health Services provided by the Coal Company have made villagers' lives more efficient in the form of performance in earnings, savings and cheerfulness
- The age-group significantly impacts in appropriating and getting benefitted from the health related facilities provided by the Coal Company leading to the efficiency of any family in the form of performance in earnings, savings and cheerfulness
- Appropriating and getting benefitted from the health related services provided by the Coal Company, leading to improvement in the efficiency in the form of performance of villagers in earnings, savings and cheerfulness, significantly varies with the varied educated-group of the beneficiaries
- The occupation of villagers does not significantly influence the impact of health related services in improving the efficiency of the villagers in the form of performance in earnings, savings and cheerfulness.
- The income level significantly influences in appropriating the positive impact of health related facilities provided by the Coal Company.

It is also inferred that there is no mismatch of facilities required by the villagers and facilities provided by the Coal Company. However, there is no proper usage of facilities owing mostly to ignorance and to some extent to lack of confidence. To overcome this, the Coal Company needs to create awareness of the facilities provided and promote how beneficial these facilities with quality so as to build confidence.

Scope for Future Research

This research can be seen as a commencement of a journey into better understanding of impact of CSR on society. This research on impact analysis is mostly based on primary data regarding how the villagers are feeling because of the CSR initiatives. In fact, the responses of the villagers are deciding factors whether there is positive impact of CSR initiatives on villagers' living. But the research findings could have been strengthened if the same was substantiated from the secondary data in two time frames, i.e., before the launch of CSR initiatives and after a period of time (about one year to five years) since the launch of CSR initiatives - pertaining to;

- Percentage of people living BPL
- Incidence and depth of diseases
- Ambience of the village
- Enrolment ratio in primary, secondary and higher level of education
- Infant mortality rate
- Use of modern gadgets by the villagers

Unavailability of required secondary data is the limitation of this research and it offers great scope for future research. Besides, research can also be extended to other CSR initiatives.

Conclusion:

On the basis of the findings of the study, the stakeholders involved in CSR initiatives will come to know the real benefits of such activities and hence will be aware of their rights and responsibilities. The findings of this research will not only insist the Coal Company to focus on educating the villagers about the CSR facilities and their beneficial impacts but also inculcate among villagers the habit of using the things available and enquiring about the details of facilities. Not only the beneficiaries will be

keen to take the advantages of the CSR activities provided by the Coal Company but also the management who feel these activities burdensome and tasking may get motivated to adopt such activities as a strategy for their growth. In fact, this study will help understanding the role of CSR in strengthening the social bond. The relevance of this Project can be extended to social welfare schemes of govt. or charity organizations/NGOs/Multilateral funded Projects. Besides, the Coal Company will be insisted to focus on quality since the villagers are not highly impressed with the quality of the facilities although they are extremely satisfied with the accessibility.
