

Developing a Conceptual Framework for the CSR Practices in Indian Power Sector Companies

Sathish Kumar J.,
Research Scholar,
Chief Executive Officer,
Cross Border Power
Transmission Company Limited,
New Delhi.

Dr. Saboohi Nasim
Professor,
Aligarh Muslim University, Aligarh.

Professor (Dr.) N.P. Singh
Professor,
Pro Vice Chancellor and Dean SBMC,
MVN University, Palwal, Haryana.

Abstract

Power is a fundamental element of infrastructure that has significant importance in facilitating the economic development and well-being of countries. The presence and progression of sufficient electricity infrastructure are crucial for the continued expansion of the Indian economy. The primary tenet behind India's power sector is to provide equitable and inexpensive access to electricity while promoting long-term sustainability. We used 5 factors CSR Planning, CSR Governance, CSR expenditure, CSR Project Implementation and CSR Reporting & Communication for the current study. The data for the same were obtained from the stakeholders responsible for the CSR in the power sector companies in India. The data for 320 respondents from the various power sector companies were analysed using statistical technique multiple regression analysis. The outcome of the study is revealed in the form of the CSR model for the Indian Power Sector companies.

Keywords: Indian power sector, CSR, CSR Planning, CSR Governance, CSR expenditure, CSR Project Implementation and CSR Reporting & Communication.

Indian Power Sector Companies

India is now ranked as the third-largest producer and consumer of energy, with an installed capacity of 408.71 GW as of October 31, 2022. According to the National Infrastructure Pipeline 2019-25, energy sector projects constituted 24% of the total budgeted capital expenditure amounting to Rs. 111 lakh crore (equivalent to US\$1.4 trillion). During the period spanning from April 2000 to June 2022, FDI in the electricity industry is totalled to US\$16.39 billion. India's electricity industry is diverse. Non-conventional sources of power production include wind, solar, agricultural, and household waste. Conventional sources include coal, lignite, natural gas, oil, hydro, and nuclear power. Electricity consumption has risen significantly and it will continue to rise in the future also.

The power sector is one of the most critical components of infrastructure essential for nations' social and economic growth. The Government of

India's recent emphasis on delivering 'Power for All' and greater economic development requires substantial capacity additions to the country's power sector infrastructure. The Power Sector encompasses a wide range of stakeholders, including employees, investors, shareholders, customers, business partners, clients, civil society groups, ministries of the Government of India, government and non-government organizations, local communities and their public representatives, Gramme Sabhas and Panchayati Raj Institutions, and society at large.

The power sector is divided into three segments: generation, transmission, and distribution. Power sector project development entails the installation of generating stations as well as the construction of additional transmission and distribution facilities. This involves the acquisition of a huge area of land, the displacement of populations, the consumption of a large amount of water, emissions, environmental pollution, deforestation, and wildlife displacement, among other things. Because of this intrinsic feature of power sector projects, the affected community expects power sector organisations to embrace higher standards of social and environmental performance. As a result, it has become the moral responsibility of power sector corporations to demonstrate improved social and environmental performance at various stages of power project implementation and operation. Stjepcevic & Šikšnelyt (2017) stated that CSR could help to manage the electricity sector by better integrating economic and socio-environmental goals. This necessitates the adoption of stronger CSR requirements by power sector corporations in order to reduce the negative social and environmental repercussions on communities. As a result, the notion of CSR has gained traction in power sector organisations in India as well, becoming an intrinsic component of organisational strategy to envision a more positive and long-term relationship with the community and stakeholders.

Power Sector Companies generally follows well documented environmental and social policy built up on the principles of avoidance, minimization, and mitigation, to handle environmental and socio-economic challenges

emerging from its operations. The policy documents delineate the Companies' strategy and dedication to address environmental and social matters pertaining to its projects. They establish management procedures and protocols for this purpose, as well as provide a framework for identifying, evaluating, and handling environmental and social concerns at both the organizational and project levels.

CSR in Indian Power Sector Companies

Energy is a wide industry that includes two important but quite diverse industries- oil and gas and power. Access to dependable power is crucial for long-term economic growth and social welfare. Power sector initiatives, notably the construction of power generation and transmission infrastructure, require a significant amount of capital. Transmission line projects are environmentally friendly, with no dumping of garbage, effluents, or hazardous chemicals into the ground, air, or water. Transmission line projects may have limited impacts on the residents of villages whose properties are acquired for the construction of substations. Additionally, these projects can also affect natural resources such as crops and trees when they traverse through agricultural fields or forested areas. In contrast, large-scale energy generation projects have a much greater influence on social and environmental factors, such as extensive land eviction and acquisition, air pollution, climate change, water pollution, thermal pollution, and solid waste disposal, among several other considerations.

Thus, the major aim of these companies' CSR operations would naturally be inclined to assist those directly impacted during setting up of large-scale power projects and to counteract any negative influence on the environment and ecology. Their CSR activities mainly focuses on local community development such as augmenting health facilities, school education, providing drinking water facilities, building up public infrastructure such as village roads, community centres, etc.

Being present in far-flung and rural areas of the country, which are frequently inhabited by disadvantaged and underprivileged people, these organisations can effectively contribute towards enhancing the lives of people in and around its areas of operation. Employees of these

organisations maintains regular interaction with the people in their locality by which they gathers requirements of local communities. These requirements, after authenticated by the Gram Panchayat/District Administration, are taken up for implementation by these organisations through CSR.

Overview of Governance Structure

CSR policy

The adoption of Corporate Social Responsibility (CSR) by Central Public Sector Enterprises (CPSEs) in India is not a recent development. CPSEs have been actively engaging in CSR initiatives, driven by both ethical considerations and legal obligations. These endeavors have been guided by a series of guidelines released by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, and the Government of India. Several crucial principles may be identified (Mukherjee, Bordoloi, 2014).

Guidelines on CSR and Sustainability for CPSEs (Dated 29 November, 1994)

CSR for CPSEs was first mandated by a guideline issued on November 29, 1994. The recommendations emphasise CSR practises in compliance with the obligations under the Memorandum of Articles (MOA) of the CPSEs which includes characteristics such as social objectives as well as business objectives for which they are incorporated. Individual CPSEs were mandated with identifying and implementing social responsibility while keeping their financial capacity, operating environment, and MOA provisions in mind. The rules also provide that Central Public Sector Enterprises (CPSEs) may be assigned social responsibilities by the issuing of Presidential Directives or through guidelines published by relevant ministries/departments.

Guidelines on CSR and Sustainability for CPSEs (Dated 9 April 2010)

In April 2010, the Department of Public Enterprises (DPE) announced a significant guideline that replaced all prior instructions given to Central Public Sector Enterprises (CPSEs) about corporate social responsibility (CSR) practices. This guideline might be seen as a pivotal moment in corporate social responsibility (CSR) practices and is anticipated to bring about a substantial transition in the

CSR strategy of Central Public Sector Enterprises (CPSEs). The guideline stipulates that it is obligatory to develop a Corporate Social Responsibility (CSR) budget for every fiscal year. The availability of funds will not be depleted. The funds will be transferred to a Corporate Social Responsibility (CSR) fund, where they will see growth. The allocation of funds for Corporate Social Responsibility (CSR) would be determined by Central Public Sector Enterprises (CPSEs) by a board decision, based on a proportion of their net profit as below:

- 3% - 5% of net profit
- CPSEs with net profit below Rs 100 Crore: 3% - 5% of their net profit
- CPSEs with net profit ranging from Rs 100 Crore to Rs 500 Crore: A minimum of Rs 3 Crore is applicable to 2% - 3% of the net profit.
- CPSEs with a net profit above Rs. 500 Crore are subject to a range of 0.5% to 2% of their net profit.
- Loss-making corporations are not required to provide dedicated funds for CSR initiatives.

This guideline has placed significant focus on the acknowledgment of CSR as a strategic strategy that promotes long-term sustainability. It was recommended that a comprehensive strategy for the identification and implementation of CSR be formulated in order to ensure long-term success. The alignment between the long-term Corporate Social Responsibility Plan and the long-term Business Plan is crucial. It is important to categorize these objectives into two distinct time frames: long-term and short-term goals.

According to this, CPSEs must spend in CSR fund on a project-by-project basis and donations to charitable organisations are not considered under CSR. The CSR initiative must be time-bound in order to develop community goodwill, social effect, and visibility. This policy also compels CPSEs to undertake base line surveys and quantify the impact of CSR programmes before investing in them. CPSEs must also publish their CSR policies, approaches, and expenditures in the public domain and on the National CSR Hub. This guideline also included some examples of CSR practises.

Guidelines on CSR and Sustainability for CPSE (Dated 4 February 2011)

DPE released an amendment/clarification to earlier rules established in 2010 in February 2011. As per the stipulations outlined in this guideline, Central Public Sector Enterprises (CPSEs) are permitted to provide funds for non-project oriented Corporate Social Responsibility (CSR) initiatives, provided that these activities are explicitly included in the 2010 regulations. However, it is important to note that the spending on such activities must not surpass 5% of the overall CSR budget allocated for that particular year. The inclusion of the National CSR Hub at the Tata Institute of Social Science (TISS) in the calculation of CSR spending is also deemed significant.

Guidelines on CSR and Sustainability for CPSE (Dated 12 April 2013)

DPE published new guidelines for CPSEs on April 12, 2013, superseding all previous DPE guidelines/circulars/instructions, etc. on the matter. The following are some of the key elements of the 2013 guidelines.

- The revised guidelines emphasise the importance of top management in public firms being deeply involved in advancing the agenda of CSR and sustainability.
- A “baseline survey” is not always required before embarking on a CSR or sustainability initiative. Other methodologies may be used by CPSEs, but they must provide convincing proof of having conducted a fairly accurate evaluation of stakeholders need.
- The unutilized budget allocated for corporate social responsibility (CSR) initiatives in a given year will be carried over to the subsequent year. Additionally, central public sector enterprises (CPSEs) will be obligated to provide explanations for any failure to use the allocated funds for CSR and sustainability endeavors within the designated timeframe for each year. The allocation of funds for corporate social responsibility (CSR) and sustainability initiatives in central public sector enterprises (CPSEs) with a net profit above Rs. 500 crore in the previous fiscal year has been revised to a range of 1% to 2%. Under the

former regulations, it was mandated that Corporate Public Sector Enterprises (CPSEs) generating a net profit ranging from Rs.100-500 crore were obligated to allocate a minimum of Rs.3 crore towards Corporate Social Responsibility (CSR) endeavors. The revised guidelines eliminate the need for a minimum expenditure of Rs.3 crore.

Mode of Execution of CSR activities

The Company is required to engage in CSR activities in accordance with Rule 4 (1) of the Companies CSR Rules, 2014. These activities should be carried out in a project/programme format and should not be limited to one-time events such as marathons, awards, charity donations, advertising, or sponsorship of TV shows.

Execution of CSR activities are generally carried out as deposit works through different Central/State Government agencies' services as well as those of Panchayati Raj Institutions, etc. CSR initiatives may also be done in partnership with a registered trust, registered society, or firm founded by the corporation, its holding company, subsidiary, or associate company, provided that the initiatives meet the requirements indicated in the company's act.

CSR activities are also performed through a departmental approach, with departmental design and cost estimates, and contractor selection through a competitive bidding method, as per the procurement policies followed by the various organisations. Organisations also implement CSR projects on a turnkey consultancy basis through State Administrations, such as PWD, Rural Engineering Department, PHED, DRDA. Memorandum of Understanding (MoU) route, which is signed with district administration, including the District Collector or the CEO of the Zila Parishad, who then selects the implementing organisation is also being adopted by the organisations. Typically, a tendering procedure is used to choose implementation partners.

Activities under CSR

Rural development, health, education, sanitation, skill development, ecology, and the environment have traditionally been recognised as priority areas for CSR

activities by most of the power sector CPSEs. All planned CSR-related measures must adhere to the provisions of Schedule VII of the Companies Act 2013, as well as the CSR Rules, Guidelines, and other relevant government policy directives.

The emphasis would be on programmes that support inclusive growth and address the basic needs of the underprivileged, the elderly, women and girls, physically challenged individuals, economically disadvantaged groups, and so on.

For CSR efforts, these organisations give preference to the stakeholders who are directly impacted by its operations in the local and surrounding regions of its area of operations. The boundaries of a district in which a power sector company operates are considered as the "local area" for CSR interventions. They also engage in CSR initiatives outside of their 'local area'. Generally, spending on CSR in local regions against outside ones would roughly be 75:25. However, projects and activities carried out in accordance with Government of India guidelines or those that are top priorities for the country's development strategy would fall beyond the scope of this ratio. Any project that exceeds the aforementioned ratio may be approved by the respective CSR committee, regardless of the cost.

The focus will be on long-term, high-impact initiatives. CSR expenses only apply to initiatives, programmes, or activities that are carried out within India. The scope of CSR excludes sporadic and philanthropic initiatives. The CSR efforts will be implemented as projects, initiatives, or programmes. Project-based approaches will be preferred for CSR efforts. However, the actions taken in accordance with R&R; contributions to any political party of any type, whether direct or indirect; Activities that the Board deems irregular, benevolent, or any endeavour for which the Board or a competent authority has not given their consent.

Through initiatives and corporate strategies that benefit both society and business, sustainable development must be advanced. Examples of sustainability initiatives include the adoption of effective and secure technical processes, the reduction of pollution in all activities and operations, the elimination of energy losses, and the development of energy efficiency. A concerted effort must be made to

advance sustainable development via programs and business practices that benefit society and business alike.

The requirements of the Companies Act, 2003 and Companies (CSR) Rules, as amended from time to time. The Board of Directors / CSR Committee will have the authority to change or amend the respective CSR Policy adopted by the organisations. Board of Directors will also be in charge of overseeing the CSR Policy's overall implementation.

Communication Strategy

For more extensive communication with the stakeholders, electronic media must be leveraged. The most important tools for understanding CSR initiatives are those that are displayed in websites, emails, annual CSR booklets, annual reports, etc.

Reporting

The Board's report on CSR activities for the fiscal year beginning on April 1, 2014, shall include an annual report on CSR that contains the data stipulated in the Companies (CSR) Rules. According to the information specified in the Annexure to the Rules, it must disclose the CSR Policy's contents in its report and have it posted on the corporation's website. If the corporation fails to allocate the necessary funds for CSR activities, the board must explain why in the aforementioned Report of the Board of Directors.

Management Systems

CSR efforts are supervised by the Board of Directors through its CSR Committee. The CSR Committee, which is headed by the Chairman & Managing Director (CMD), is composed of the Functional Directors, Government Nominee, and Independent Directors. Companies typically have a designated CSR department, and it is this department's responsibility to keep the Board and the CSR standing committee informed of all matters relating to CSR policy implementation. The majority of CSR initiatives are developed at the site level, and subsequently the Competent Authority must approve the plans. To complete the CSR operations, extensive due diligence is performed. After the project has been approved by the appropriate authority, the site project managers execute it.

The current research work includes developing a Conceptual Framework for the CSR Practices for Indian Power sector companies.

Reviews of Literature

Corporate social responsibility (CSR) reviews are presented in this paper as under:

Theoretical Framework

In order to facilitate the advancement of CSR initiatives in India, the Ministry of Corporate Affairs (MCA), under the auspices of the Government of India, introduced the CSR Voluntary Guidelines in 2009. These guidelines were subsequently revised and evolved into the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business. The voluntary recommendations were subsequently included as an amendment to the Companies Bill, 2011, and received approval from the Lok Sabha, the lower house of the Indian Parliament, in December 2012. The aforementioned change, known as Section 135, CSR Rules and Schedule VII of the Companies Act, 2013, was later ratified by the Indian Parliament. It was then published in the Gazette, an official public newspaper and authorized legal document of the Government of India, on August 30, 2013.

Therefore, in accordance with the company's act of 2013, firms are required to first prepare for their CSR expenditures. Whereas in the past this requirement was just optional, it has now been elevated to the status of a legal obligation. Before making any plans, businesses are required by standard business practises to investigate their current corporate social responsibility (CSR) initiatives and the advantages they provide. After that, a strategy for mandated CSR has to be developed, including CSR expenditures and the creation of CSR projects. The reporting and compliance are to be analysed in accordance with the regulatory framework after the expenditures have been completed. When CSR reporting and compliance are carried out in accordance with the appropriate structure, this will result in improved CSR performance.

Theoretical Framework on Corporate Social Responsibility

Companies have a responsibility to make sure they are ready for a rise in their value as a result of putting corporate social responsibility into practise. This value gain will be evaluated not just in terms of their commitment to society and the environment, but also in terms of their economic and environmental responsibilities. Examining the following strategies more closely within the theoretical framework will boost the imminent implementation of corporate social responsibility.

Corporate Accountability Theory

The corporation need to be accountable for any and all repercussions, whether they were purposefully or inadvertently brought about to the stakeholders. According to the theory, CSR activities involve not only altruism (charity) or the activity of mutual love (stewardship), both of which are examples of voluntary actions that have been understood by businesspeople up until this point; rather, CSR activities involve an inherent and fundamental obligation that has evolved into a "spirit of life" in business practises and systems. The fundamental explanation is that corporate social responsibility is a natural consequence of the presence of human rights provided by the state to the firm in order for the company to be able to survive and prosper in a specific environment. In an environment in which human rights and the duties of the enterprise are not in harmony with one another, there will be two parties: the firm, which will be the gainers, and society, which will be the losers (Dellaportas, 2005).

Stakeholder Theory

According to this view, the key to a successful and long-lasting business is the organization's capacity to strike a healthy balance between the competing demands of its numerous stakeholders. If it is possible, then the business will be able to maintain its support and continue to see increases in its market share, sales, and profits. A theory known as the stakeholder theory explains to various parties (stakeholders) who is accountable for the firm. According to the stakeholder theory, "the very survival of the firm depends on the support of many stakeholders; as a result, the activities of the company must also take into account the approval of these various stakeholders (Freeman, 1984; Garriga, 2004). The theory also recommends that the

corporation is not the sole entity that acts for its own profit, but rather that it should deliver advantages to its stakeholders, including shareholders, creditors, consumers, suppliers, government and public, analysts, and members of the public” (Freeman, 1984; Garriga, 2004; Wilson, 2003).

Willingness of the Manager and the Theory of Planned Behaviour (TPB)

Both the theory of reasoned action (TRA) and the TPB have found widespread use in a variety of contexts, including consumer choice, ethical commerce, the preservation of the environment, and other related topics (Ajzen, 1991; Ajzen and driver, 1992). The underlying motivations of managers to participate in CSR initiatives may be modelled using these theoretical frameworks (Wu et al., 2008). They are attempting to explain factors on behaviour that are informational as well as motivating (Conner & Armitage, 1998), as well as analyse and predict individual behaviour. The Transactional Research Analysis (TRA) suggests that “people's actions are often congruent with their goals (Ajzen and driver, 1992, Boulanger, 2008; Conner and Armitage, 1998). Intentions like these are also influenced by two primary determinants: an individual component and a societal factor” (Boulanger, 2008). One of the factors that determines whether or not a person would engage in a certain activity (behavioural beliefs) is that person's attitude, which can be thought of as a personal factor. A person's attitude may either be positive or negative about the conduct in question (Conner and Armitage, 1998). Subjective norms are called out as a potential factor in determining behavioural intentions in the TRA as well. The social component is represented here by these arbitrary standards (Boulanger, 2008). These subjective standards correspond to our judgement of what other people think of the accomplishment of such behaviour, and these perceptions are based on what we call “common sense.”

An additional determinant was included in the TPB model that was developed by Ajzen (1991), which is an extension of the TRA model. In point of fact, the TPB takes into account extra perceived behavioural control as well as the influence such control has on intents and acts (Ajzen and

driver, 1992, Boulanger, 2008; Conner and Armitage, 1998). The individual's estimation of how straightforward or challenging it would be to carry out a certain task is directly related to their level of perceived behavioural control (time, money, skills, etc.). According to this theory, the result of behaviour may be directly predicted by using factors such as the individual's perceived control as well as their intentions towards the behaviour (Ajzen and driver, 1992). “The fact that perceived behavioural control may often serve as a stand-in for the actual control measure is another factor that helps to explain the direct connection between perceived behavioural control and the result of behaviour” (Ajzen and driver, 1992). In this manner, behavioural intentions are dependent on three direct determinants, which are attitudes, subjective norms, and the impression of behavioural control. The beliefs about sustainable behaviour by a small company management induce a “favourable or unfavourable attitude towards this behaviour”. These beliefs produce either a positive or negative attitude. The experience of societal forces or the adoption of personal standards may give rise to normative ideas. These normative views relate to the impression that stakeholders have of responsible behaviour on the part of a management of a small organisation. The views about control are dependent on the perceived level of behavioural control. The term “perception of a manager's control” relates to an individual's impression of the manager's ability (in terms of “human and financial resources, time, etc.”) to put responsible behaviour into effect. Last but not least, the manager anticipates being able to carry out his goal when the occasion presents itself since he has provided appropriate control over the employee's current behaviour. The creation of behavioural intentions is influenced by a person's attitudes about conduct, their subjective norms, and their perceived level of behavioural control. The conclusion is that the purpose comes before the behaviour right away.

Reviews of Relation of various dependent variables of the study on CSR Practices are presented in table-1 as under:

Table-1: Reviews of Relation of various independent variables

Dependent Variable	Authors	Conclusions
CSR Planning	Fombrun, C. J. (2005).	“CSR provide reputation research, analysis and thinking”
	Wikantiyoso, R., & Suhartono, T. (2018).	“Emphasizes the position and role of CSR for urban open space.”
	Anlesinya, A., & Abugre, J. B. (2021).	“Strategic CSR practices comprising of strategic CSR planning, implementation and positioning contribute positively to organisation’.
	Bowen, G., Appiah, D., & Okafor, S. (2020).	An appropriate model of CSR can engage stakeholders in the strategic planning process
CSR Governance	Lock& Seele (2016).	CSR governance is best practice for the departmental organization
	Harjoto& Jo (2011)	CSR engagement and corporate governance.
	Wang, Z., & Sarkis, J. (2017).	“CSR governance may contribute to superior financial performance only when companies “walk the talk” to seriously implement CSR governance and achieve good CSR outcomes”.
	Scherer, A. G., & Palazzo, G. (2011).	“Considered the implications of this new perspective for theorizing about the business firm, governance, and democracy.”
CSR Spends	Sawant, S. (2020)	“Summary of the paper’s critical points concerning the utility of CSR funds in the Indian context”
	Hassan, S. E. (2021)	“Different Strokes-Ownership Structures and the Choice of CSR Responses in Mandatory CSR”
	Bansal, M. (2022).	“Impact of mandatory CSR spending on strategic brand- building levers”
	Mangalagiri, J., & Bhasa, M. P. (2022).	“Found that CSR spends have any impact on both accounting and market-based financial performance”
CSR Projects Management	Siltaloppi, Rajala& Hietala(2021).	Integrated CSR with business strategy. They found that the management of CSR tensions during the strategic CSR integration process
	Tworzydło, D., Gawro ski, S., & Szuba, P. (2021).	CSR projects are Important for stakeholder engagement strategy in polish companies
	Weng, Tang, Yi& Hsieh (2021). Agarwal C., Mathur A., & Adholiya A. (2015).	How companies searches suitable partner(s) for companies’ CSR projects
	Zeimers, Anagnostopoulos, Zintz& Willem (2018).	The costs of implementing CSR activities should be minimised
CSR Reporting & Communication	Du, Bhattacharya, & Sen (2010).	Role of CSR communication
	Morsing, Schultz, & Nielsen, (2008).	Communicating CSR in Danish Companies
	Garcia-Torea, N., Fernandez-Feijoo, B., & De La Cuesta, M. (2020).	“CSR reporting practices to identify the problems impeding effective communication”
	Sun, Li, Geng, Yang& Zhang (2020)	“With the communication mechanism view, the impact of board interlocks on CSR reporting can be reduced”.
CSR Compliances	Bian et al., (2021).	“The studies firms’ endogenous CSR compliance strategies, i.e, the incentive to adopt CSR”
	López-Concepción, Gil-Lacruz, & Saz-Gil (2022).	“The conceptualization of the stakeholders of the companies for the fulfillment of the objectives”.
	Shaw, Raithatha, Krishnan, & Cordeiro (2021).	“Analysed the mandatory CSRcompliance impacts and found a positive relation between CSR compliance and conditional convergence.”
	Gaur, Ghosh& Zheng (2019).	“The decision regarding ethics and compliance management (ECM) adoption and its actual implementation is usually deliberated as an important CSR”.

The detailed list of the independent variables is presented in Appendix-A.

Research Methodology

The study has used both exploratory and descriptive research methods since it aims at understanding of the existing CSR practices in the CPSEs and perceptions of employees, beneficiaries/stakeholders on CSR initiatives of Power Sector CPSEs with respect to the practices, project benefits, impact measurement, resource allocation, policy formulation and implementation, etc. It is factual in nature as it is concerned with the status-quo of the CSR activities implemented by the CPSEs. A Single Cross Sectional research design will be used to collect data from target population of stakeholders at one point of time and then the data will be analysed to test the hypotheses. Simple random sampling cum quota sampling method shall be used for collecting primary data on CSR initiatives of power sector companies.

Though all Companies, public or private, are covered under the Companies Act, 2013, the thrust of the present study is limited to the Power Sector CPSEs in India considering Power sector has been backbone to economic growth. Power sector projects owing to its business nature and operation size results into hardship to the general public in the form of pollution, land acquisition, displacement of livelihoods, and adverse impact on the environment. Further, the sector continues to face social, environmental challenges due to growing urbanization. Thus, “they are indebted greatly to the community which they can repay in the form of CSR spending. Even before the enactment of the CSR Provisions (Schedule 135) of the Companies Act, 2013, directives on Corporate Governance for Public Sector Enterprises, 2010 was issued by DPE. This gives a good base for comparison and elaborate study”.

The sample universe includes all the CPSEs in India. The size of the population for the study is 244 CPSEs (Operating Enterprises), which are located in different parts of India.

Sampling frame for the present study consists of the Power Sector CPSEs in India. These companies are located in different locations throughout India and mainly engaged in generation, transmission or distribution of hydel, thermal and nuclear power. The major public sector companies under this category are: “(i) NLC India Limited (ii) North Eastern Electric Power Corporation Limited (iii) NTPC

Limited (iv) NHPC Limited (v) Power Finance Corporation Limited (vi) Power Grid Corporation of India Limited (vii) Power System Operation Corporation Limited (viii) Rural Electrification Corporation Limited (ix) SJVN Limited (x) RVUNL”.

The study follows a logical and methodical approach for execution. In order to portray the logical approach, the research model has been conceived from the extensive review of literature. The results so obtained from the questionnaire surveys have been synthesized for the perceptual analysis of the three stakeholder groups and further attributing the reasons for CSR gap based on the same. Also, the obtained results have been analysed with multiple regression technique with the Model fit tests using ANOVA techniques validation and completeness. Further, logical conclusions have been drawn from the findings and recommendations have been proposed.

Data Analysis

For the purpose of the study the data obtained were analysed with the statistical tools, for this purpose stepwise the hypothesis were developed as under:

Stakeholders' perception pertaining to CSR Planning

H1(1): CSR planning significantly contributed towards CSR Performance outcome.

Pertaining to CSR Governance

H1(2): CSR Governance significantly contributed towards CSR Performance outcome.

Pertaining to CSR expenditure

H1(3): CSR expenditure has significantly contributed towards CSR Performance outcome.

Pertaining to CSR Project Implementation

H1(4): CSR Project Implementation has significantly contributed towards CSR Performance outcome.

Pertaining to CSR Reporting & Communication

H1(5): CSR Reporting & Communication Implementation has significantly contributed towards CSR Performance outcome.

The results of the regression analysis are presented as under:
Table-2: Multiple Regressions for Variables of the Social Campaign

Regression statistics	CSR Planning	CSR Governance	CSR expenditure	CSR Project Implementation	CSR Reporting & Communication
R	.800 ^h	.733 ^g	.753 ^g	.594 ^e	.625 ^h
R Square	.640	0.537	0.566	0.353	0.391
Adjusted R Square	.633	0.53	0.56	0.346	0.38
SE of the Estimate	.47452	0.50075	0.50661	0.77662	0.63463

D-ANOVAa

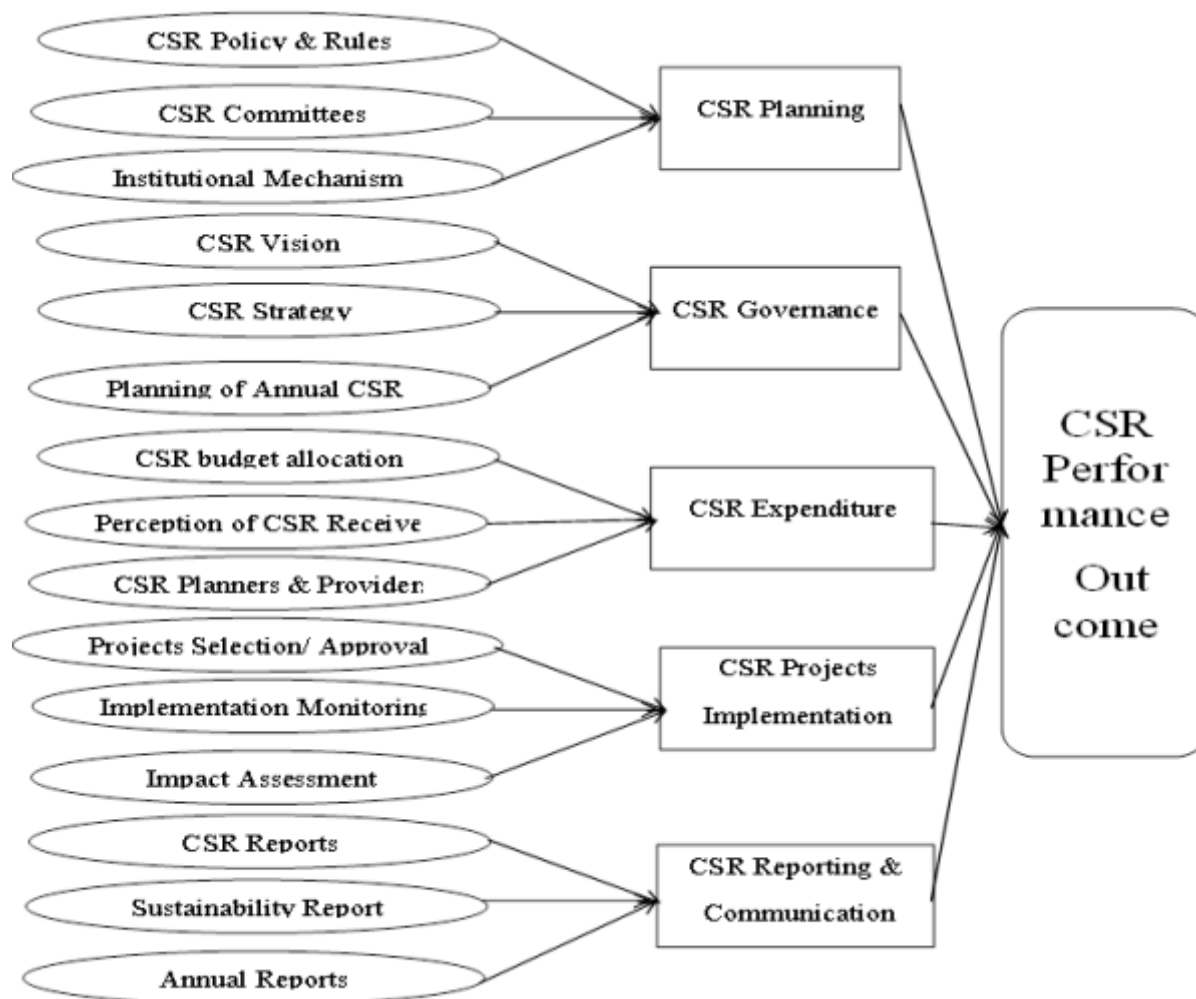
Regression statistics	F	Sig.
CSR Planning	100.374	.000 ⁱ
CSR Governance	75.068	.000 ^h
CSR expenditure	84.492	.000 ^h
CSR Project Implementation	49.624	.000 ^f
CSR Reporting & Communication	36.226	.000 ⁱ

Coefficientsa

	B	SE	t	P	
CSR Planning	(Constant)	.056	.234	.242	.809
	CsrPlan_2	.766	.067	11.513	.000
	CsrPlan_7	.248	.032	7.788	.000
	CsrPlan_5	.394	.053	7.467	.000
	CsrPlan_6	-.387	.058	-6.707	.000
	CsrPlan_9	.425	.052	8.176	.000
	CsrPlan_10	-.300	.040	-7.544	.000
	CsrPlan_4	-.304	.063	-4.849	.000
	CsrPlan_3	.136	.065	2.088	.037
CSR Governance	(Constant)	1.500	.191	7.857	.000
	Govern_5	.355	.033	10.834	.000
	Govern_8	.244	.045	5.445	.000
	Govern_10	-.430	.052	-8.246	.000
	Govern_4	.202	.037	5.424	.000
	Govern_9	.261	.047	5.577	.000
	Govern_3	.180	.036	4.973	.000
	Govern_7	-.143	.045	-3.198	.001
CSR expenditure	(Constant)	.538	.189	2.848	.005
	Expen_5	.525	.036	14.672	.000
	Expen_6	.401	.030	13.235	.000
	Expen_3	.421	.034	12.333	.000
	Expen_9	-.212	.031	-6.806	.000
	Expen_8	-.193	.032	-6.073	.000
	Expen_7	-.137	.042	-3.304	.001

	Expen_10	.085	.029	2.923	.004
CSR project management	(Constant)	1.109	.277	4.008	.000
	Proj_mgt_3	.561	.047	12.006	.000
	Proj_mgt_5	-.371	.049	-7.640	.000
	Proj_mgt_2	.399	.051	7.868	.000
	Proj_mgt_7	.222	.048	4.578	.000
	Proj_mgt_4	-.169	.051	-3.338	.001
CSR Reporting & Communication	(Constant)	-1.163	.406	-2.868	.004
	Repor_9	.750	.053	14.048	.000
	Repor_8	.518	.047	11.052	.000
	Repor_2	.429	.042	10.138	.000
	Repor_3	-.285	.046	-6.234	.000
	Repor_10	-.354	.058	-6.055	.000
	Repor_6	.302	.060	4.992	.000
	Repor_5	-.272	.062	-4.386	.000
	Repor_4	.152	.059	2.585	.010

The outcome of the study leads the CSR model development for the power sector companies, presented as under:



Conclusion

CSR is a business model characterized by self-regulation, whereby a corporation takes responsibility for its actions and endeavours to be socially responsible to its internal and external stakeholders, as well as the wider public. Through the implementation of CSR, also known as corporate citizenship, organizations may actively consider the influence they have on several dimensions of society, including economic, social, and environmental realms. CSR is implemented as a long-term strategy aimed at cultivating a positive corporate image, fostering robust connections between stakeholders and the organization, and promoting increased advocacy behaviours' among stakeholders. Engaging in CSR entails the adoption of business practices that actively contribute to the betterment of society and the environment, rather than causing detrimental impacts. This study presents the CSR adoption model for the power sector companies. It clearly indicated that the CSR Planning needs to be done first and governance and spending should be managed for CSR Projects Management. It should be reported & Communicated under the compulsory CSR Compliance to reach the CSR performance outcome for the successful implementation of the same.

References

- Agarwal, C., Mathur, A., & Adholiya, A. (2015). Perception of Employees for Ethical and Social Responsibility of Firms, Study at Rajasmand, Rajasthan. *International Journal of Organizational Behaviour and Management Perspectives*, 4.
- Ali, W., Frynas, J. G., & Mahmood, Z. (2017). Determinants of corporate social responsibility (CSR) disclosure in developed and developing countries: A literature review. *Corporate Social Responsibility and Environmental Management*, 24(4), 273-294.
- Anlesinya, A., & Abugre, J. B. (2021). Strategic CSR practices, strategic orientation and business value creation among multinational subsidiaries in Ghana. *Society and Business Review*.
- Bansal, M. (2022). Impact of mandatory CSR spending on strategic brand-building levers: Evidence from a quasi-natural experiment in India. *Managerial and Decision Economics*.
- Bian, J., Liao, Y., Wang, Y. Y., & Tao, F. (2021). Analysis of firm CSR strategies. *European Journal of Operational Research*, 290(3), 914-926.
- Bowen, G., Appiah, D., & Okafor, S. (2020). The influence of corporate social responsibility (CSR) and social media on the strategy formulation process. *Sustainability*, 12(15), 6057.
- Christensen, H. B., Hail, L., & Leuz, C. (2021). Mandatory CSR and sustainability reporting: economic analysis and literature review. *Review of Accounting Studies*, 26(3), 1176-1248.
- Du, S., Bhattacharya, C. B., & Sen, S. (2010). Maximizing business returns to corporate social responsibility (CSR): The role of CSR communication. *International journal of management reviews*, 12(1), 8-19.
- Fombrun, C. J. (2005). A world of reputation research, analysis and thinking—building corporate reputation through CSR initiatives: evolving standards. *Corporate reputation review*, 8(1), 7-12.
- Garcia-Torea, N., Fernandez-Feijoo, B., & De La Cuesta, M. (2020). CSR reporting communication: Defective reporting models or misapplication?. *Corporate Social Responsibility and Environmental Management*, 27(2), 952-968.
- Gatti, L., Seele, P., & Rademacher, L. (2019). Grey zone in—greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. *International Journal of Corporate Social Responsibility*, 4(1), 1-15.
- Gaur, A., Ghosh, K., & Zheng, Q. (2019). Corporate social responsibility (CSR) in Asian firms: a strategic choice perspective of ethics and compliance management. *Journal of Asia Business Studies*.
- Harjoto, M. A., & Jo, H. (2011). Corporate governance and CSR nexus. *Journal of business ethics*, 100(1), 45-67.
- Hassan, S. E. (2021). Different Strokes—Ownership

Structures and the Choice of CSR Responses in Mandatory CSR Context. In *Academy of Management Proceedings* (Vol. 2021, No. 1, p. 16335). Briarcliff Manor, NY 10510: Academy of Management.

- Jackson, G., Bartosch, J., Avetisyan, E., Kinderman, D., & Knudsen, J. S. (2020). Mandatory non-financial disclosure and its influence on CSR: An international comparison. *Journal of Business Ethics*, 162(2), 323-342.
- Lock, I., & Seele, P. (2016). CSR governance and departmental organization: A typology of best practices. *Corporate Governance: The International Journal of Business in Society*.
- López-Concepción, A., Gil-Lacruz, A. I., & Saz-Gil, I. (2022). Stakeholder engagement, Csr development and Sdgs compliance: A systematic review from 2015 to 2021. *Corporate Social Responsibility and Environmental Management*, 29(1), 19-31.
- *Management Proceedings* (Vol. 2021, No. 1, p. 10825). Briarcliff Manor, NY 10510: Academy of Management.
- Mangalagiri, J., & Bhasa, M. P. (2022). Corporate social responsibility and firm performance: Evidence from India's national stock exchange listed companies. *International Journal of Disclosure and Governance*, 19(2), 144-152.
- Morsing, M., Schultz, M., & Nielsen, K. U. (2008). The 'Catch 22' of communicating CSR: Findings from a Danish study. *Journal of marketing communications*, 14(2), 97-111.
- Sawant, S. (2020). UTILITY OF CSR FUNDS IN INDIA. *International Journal of Management Research and Reviews*, 10(9), 1-5.
- Scherer, A. G., & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of management studies*, 48(4), 899-931.
- Shaw, T. S., Raithatha, M., Krishnan, G. V., & Cordeiro, J. J. (2021). Did mandatory CSR compliance impact accounting Conservatism? Evidence from the Indian Companies Act 2013. *Journal of Contemporary Accounting & Economics*, 17(3), 100280.
- Siltaloppi, J., Rajala, R., & Hietala, H. (2021). Integrating CSR with business strategy: a tension management perspective. *Journal of Business Ethics*, 174(3), 507-527.
- Sun, W., Li, X., Geng, Y., Yang, J., & Zhang, Y. (2020). Board interlocks and the diffusion of CSR reporting practices: The role of market development. *Corporate Social Responsibility and Environmental Management*, 27(3), 1333-1343.
- Tworzydło, D., Gawro ski, S., & Szuba, P. (2021). Importance and role of CSR and stakeholder engagement strategy in polish companies in the context of activities of
- Wang, Z., & Sarkis, J. (2017). Corporate social responsibility governance, outcomes, and financial performance. *Journal of cleaner production*, 162, 1607-1616.
- Weng, J., Tang, C. H., Yi, L. H., & Hsieh, Y. C. A. (2021). Walking together on the way to CSR: A study on how companies select CSR partners. In *Academy of experts handling public relations. Corporate Social Responsibility and Environmental Management*, 28(1), 64-70.
- Wikantiyoso, R., & Suhartono, T. (2018). The role of CSR in the revitalization of urban open space for better sustainable urban development. *International Review for Spatial Planning and Sustainable Development*, 6(4), 5-20.
- Zeimers, G., Anagnostopoulos, C., Zintz, T., & Willem, A. (2018). Corporate social responsibility (CSR) in football: Exploring modes of CSR implementation. In *Routledge handbook of football business and management* (pp. 114-130). Routledge.

PART –A**Please Display your degree of agreement/disagreement regarding Planning for CSR (IV)**

Q. No.	Question	Strongly disagree	Dis-agree	May be	Agree	Strongly agree
1	Availability of CSR vision in the CSR policy of Power sector companies were appropriate	DV	DV	DV	DV	DV
2	Availability of CSR mission in the CSR policy of Power sector companies were appropriate	P&R	P&R	P&R	P&R	P&R
3	Availability of CSR philosophy in the CSR policy of Power sector companies were appropriate	P&R	P&R	P&R	P&R	P&R
4	Disclosure of details of the amount spent on CSR in the Directors' Report were appropriate for Power sector companies	Comm	Comm	Comm	Comm	Comm
5	Disclosure of details of the amount spent on CSR in the CSR report were appropriate for Power sector companies	Comm	Comm	Comm	Comm	Comm
6	Disclosure of details of the amount spent on CSR in the Sustainability Report were appropriate for Power sector companies	Comm	Comm	Comm	Comm	Comm
7	The CSR activities are well planned to be executed	IM	IM	IM	IM	IM
8	The CSR expenditure is segregated to cover different stakeholders.	IM	IM	IM	IM	IM
9	CSR polices provides good amount of rationing of various CSR expenditure	IM	IM	IM	IM	IM
10	CSR policy is favouring the Stakeholders	IM	IM	IM	IM	IM

PART –B**Please Display your degree of agreement/disagreement regarding Regulatory framework/ Governance (IV)**

Q. No.	Question	Strongly disagree	Dis-agree	May be	Agree	Strongly agree
1	CSR Policy formation of Power sector companies were appropriate	DV	DV	DV	DV	DV
2	Constitution of board level CSR committee of Power sector companies were appropriate	Vis	Vis	Vis	Vis	Vis
3	Reporting of CSR activities of Power sector companies were appropriate	Vis	Vis	Vis	Vis	Vis
4	CSR Budgeting of Power sector companies were appropriate.	Stra	Stra	Stra	Stra	Stra
5	Institutional mechanism of CSR is appropriate.	Stra	Stra	Stra	Stra	Stra
6	CSR division is created by the Power Companies as required by law.	Stra	Stra	Stra	Stra	Stra
7	CSR Project approval process in the Power Companies is as required by law.	Plan	Plan	Plan	Plan	Plan
8	The power companies are utilising CSR fund allocated	Plan	Plan	Plan	Plan	Plan
9	The power companies are utilising the fund that needed to be utilised under mandatory CSR utilisation (in Percentage of Profit)	Plan	Plan	Plan	Plan	Plan
10	Power companies present the CSR reports as prescribed by the MCA for proper reporting.	Plan	Plan	Plan	Plan	Plan

PART –C**Please Display your degree of agreement/disagreement regarding CSR expenditure/Spent (IV)**

Q. No.	Question	Strong ly dis agree	Dis-agree	May be	Agree	Strongly agree
1	Power companies provide the appropriate fund required to be spent.	DV	DV	DV	DV	DV
2	Power companies actually makes the expenditure under CSR	Bud	Bud	Bud	Bud	Bud
3	Power companies make the expenditure as required to be spent for CSR activities	Bud	Bud	Bud	Bud	Bud
4	Power companies make CSR Implementation through partnership with NGOs	Prot	Prot	Prot	Prot	Prot
5	Power companies Timely spent CSR amount as budgeted by them.	Prot	Prot	Prot	Prot	Prot
6	Power companies Direct implementation by the company	Prot	Prot	Prot	Prot	Prot
7	Power companies Implement the CSR amount through academic institutions, international agencies	Prot	Prot	Prot	Prot	Prot
8	Power companies Resource allocation for CSR programs-Urban/Rural	Planr	Planr	Planr	Planr	Planr
9	Power companies' makes higher utilization of CSR fund allocated.	Planr	Planr	Planr	Planr	Planr
10	Power companies uses methods followed -transparent and objective mechanism for CSR spending	Planr	Planr	Planr	Planr	Planr

PART –D**Please Display your degree of agreement/disagreement regarding CSR project management (Appointment of independent directors for CSR) (IV)**

Q. No.	Question	Strong ly dis agree	Dis-agree	May be	Agree	Strongly agree
1	Power companies appoint the independent director for CSR.	DV	DV	DV	DV	DV
2	Power companies make the board/committee for CSR spending.	Selc	Selc	Selc	Selc	Selc
3	Power companies appoints the director having proper knowledge for CSR policies and Expenditure	Selc	Selc	Selc	Selc	Selc
4	Power companies board develops good plan for the regional development	Impl	Impl	Impl	Impl	Impl
5	Power companies uses the CSR funds for the better education of nearby area	Impl	Impl	Impl	Impl	Impl
6	Power companies have the directors who have idea for the better utilisation of CSR funds at near by places.	impt	impt	impt	impt	impt
7	Power companies have the directors who have idea for the requirement of CSR funds at nearby places.	impt	impt	impt	impt	impt

PART –E**Please Display your degree of agreement/disagreement regarding CSR reporting (IV)**

Q. No.	Question	Strong ly dis agree	Dis-agree	May be	Agree	Strongly agree
1	The CSR reporting of power companies were appropriate.	DV	DV	DV	DV	DV
2	CSR reports presents the comparative CSR spending of power companies	Repo	Repo	Repo	Repo	Repo
3	CSR reports can provides the peer comparisons of power companies	Repo	Repo	Repo	Repo	Repo
4	CSR reports can provides the details of budget and actual expenditure of power companies	Repo	Repo	Repo	Repo	Repo
5	CSR report can highlight the future expenditure of power companies	Repo	Repo	Repo	Repo	Repo
6	CSR policies can include the Sustainability reports	SR	SR	SR	SR	SR
7	Sustainable activities and Sustainability is in the focus of the CSR reporting	SR	SR	SR	SR	SR
8	CSR is reported with the Legal Authorities	AR	AR	AR	AR	AR
9	CSR reports will be shared on the website	AR	AR	AR	AR	AR
10	CSR report is well Prepared for power companies	AR	AR	AR	AR	AR