

JOURNAL LA SOCIALE

VOL. 02, ISSUE 03 (009-015), 2021 DOI:10.37899/journal-la-sociale.v2i3.402

Implementation of Corporate Social Responsibility Program on Community Welfare

Khenu Lather¹, Munnopule Khlise¹, Mashue Kinneth²

¹Public Management and Governance (CW), University of Johannesburg, South Africa

²Public Administration, University of the Western Cape, South Africa

*Corresponding Author: Khenu Lather



Article Info

Article history: Received 03 July 2021 Received 22 July 2021 Accepted 10 August 2021

Keywords: Implementation Corporate Social Responsibility (CSR) Environmental Impact

Abstract

The purpose of this research is to evaluate the impact of the execution of the Corporate Social Responsibility program on the welfare of the local community. This research technique is descriptive qualitative, and it makes use of both primary and secondary data. The findings of this research show that the implementation of the Corporate Social Responsibility (CSR) program for the benefit of the community has not been successful, which is supported by a number of impediments to the success of these programs.

Introduction

Community Development (CD) is seen not only as a duty, but also as an obligation when it comes to the execution of Corporate Social Responsibility (CSR). Corporate Social Responsibility (CSR) is a business function that should be included into corporate policy (Crane et al., 2013). The function of industry and businesses in supporting healthy economic development is complicated by the fact that environmental issues must be considered (Korhonen et al., 2018).

With regard to the economic field, Corporate Social Responsibility (CSR) is expected to increase or influence a form of economy, while the legal aspect of the company is required to follow every applicable regulation concerning Corporate Social Responsibility (CSR), in the sense that every company is good on a local scale and foreign companies must carry out corporate social responsibility in the country where they are headquartered,

Land use issues are becoming more prevalent as the world's population and industrialisation continue to grow. Although intuitive thinking about land use has existed for a long time, it was only after World War I that the benefits of more efficient and planned land use became apparent. The first major cause of environmental damage is the consequence of human actions, and the second is natural, in this instance, natural catastrophes, which are the second and third major causes of environmental damage. Human actions, on the other hand, have a large number of causes and a bigger effect on the environment than natural occurrences that do not occur on a daily basis (Abdel-Shafy & Mansour, 2016). The deteriorated environment no longer offers adequate habitat conditions for the survival of all living creatures on the planet. The movement of living things such as animals is a result of their desire to locate a suitable environment in which to meet their basic requirements for food, water, and dwelling space.

Because of its "greed" in exploiting natural resources, the industrialized world is often singled out as the primary culprit in the issue of environmental degradation. It is obvious that the capacity to master an industry is a key indicator of the overall quality of a person's existence.

The issue is how to manage the confluence of two competing interests, namely, industrial interests and environmental sustainability, in a sustainable manner.

Corporate Social Responsibility (CSR) is one of the responsibilities that businesses have under the Act and that must be met in line with the provisions of the Act (Hiller, 2013). Because of legislation, industries or companies are obliged to put them into effect. Corporations are not only expected to be concerned about environmental problems, but they are also needed to be concerned about social issues from the community, which is directly impacted by the company's activities (Esteves & Vanclay 2009). By taking environmental issues into consideration, industry and companies may contribute to the promotion of healthy economic development.

When it comes to the state, strong Corporate Social Responsibility (CSR) policies can help avoid so-called "corporate misbehavior" or commercial malpractices such as bribery of state officials or law enforcement agencies, which may lead to high levels of corruption in the country. The state will also benefit from appropriate tax collections that are not avoided by corporations. Building positive connections with regulatory authorities is one of the company's motivations for adopting Corporate Social Responsibility (CSR), and it serves as a critical component of that effort as well. A permit from the government allowed the company to be established. It is expected to be able to contribute to development through the payment of obligations such as taxes and other fees, as well as to consciously contribute to the development of concern for improving the well-being of the community and the environment through conscious contribution.

It is the company's desire in participating in the Corporate Social Responsibility (CSR) program that has prompted its participation. The company's involvement can be explained by at least three different motivations: the motivation to maintain the security of production facilities, the motivation to comply with the terms of the work contract agreement, and the moral motivation to provide social services to the surrounding community.

The implementation of community development is an excellent example of effective corporate social responsibility (CSR) practice (Advantage 2020). Organizations that adopt this idea will place more focus on social development and community capacity building, and they will investigate the possibilities for advancement and growth of local communities, which serve as the company's social capital (Cherapanukorn & Focken, 2014). This approach, in addition to its ability to generate socio-economic possibilities by absorbing people with the necessary credentials, may also help a business establish a reputation as one that is environmentally conscious and kind to its employees. As an added bonus, it will increase public confidence. Gradually, the feeling of ownership among the community members grew, and they came to believe that the company's presence in their region would be helpful and valuable to everyone.

Another issue that must be addressed in order to achieve sustainable development is the question of how to repair environmental harm without jeopardizing the need for economic growth and social justice in the process.

The issue that has arisen is that the implementation of Corporate Social Responsibility (CSR) in Region X has not been carried out effectively, with the reason being that the implementation of the Corporate Social Responsibility (CSR) program has not been evenly distributed, with the result that there are still people who have not received assistance from Company Y, which has become a right of the middle class in the country. In order to prevent deviations or misuse of power, the execution of the Corporate Social Responsibility (CSR) program should be more equally dispersed from the top to the bottom of the corporate hierarchy. This will benefit the lower middle class.

Methods

The qualitative research techniques used in this study are of the phenomenological kind. Primary information was gathered directly from the field via the use of an in-depth interview technique. Primary data for this study were gathered via direct observation of the research area as well as through direct interviews conducted with the use of instruments such as a list of predetermined questions. Employees of Company Y, as well as representatives from the appropriate authorities and the community, conducted direct interviews with informants. The researcher believes that the informants listed above have the information required for this study and have access to the subject of the investigation.

Secondary data was acquired via a literature study that was performed on a large number of books and documents relevant to the topic; in addition, researchers utilized data obtained from the internet to supplement their findings. Company Y's Corporate Social Responsibility (CSR) program was the source of secondary data in this research, which was acquired via data or documents related to the execution of the program

Results and Discussion

Implementation of Corporate Social Responsibility (CSR) Program

This study examines the implementation of Company Y's Corporate Social Responsibility (CSR) program for the welfare of the community in Region X with the goal of understanding how the company's Corporate Social Responsibility (CSR) program is carried out in order to reduce the impact of environmental damage.

The company's Corporate Social Responsibility (CSR) program has been established, but the program's execution has been lacking, resulting in all issues arising in the middle of people's lives, particularly in the company's mining regions (Ansu-Mensah et al., 2021). This demonstrates that the business does not maintain effective contact with the community. Taking part in the process of executing the company's Corporate Social Responsibility (CSR) program involves engaging the government and the surrounding community, who are the ones who will directly benefit from the company's execution of the Corporate Social Responsibility (CSR) program (Hidayati, 2011).

Reforestation has been carried out by the business as part of its rehabilitation and land reclamation efforts. In this particular instance, the business has constructed a nursery on the property. This location serves as a nursery for exotic plants such as wind wood.

According to one of the workers, their company had carried out land restoration and reclamation in line with official rules. This demonstrates that the business is very concerned about the post-mining environment and recognizes the critical role that the environment plays in the mining process. Generally speaking, the business has carried out post-mining reclamation and restoration, according to information provided by the local authorities (Kaźmierczak et al., 2019). That the business is concerned about the surrounding environment is shown by its action. Land restoration and reclamation are important concerns for the business, and they are taken extremely seriously by the corporation in line with government laws.

One of the community leaders stated that the business has been engaged in land restoration and reclamation operations on their behalf (Musavengane & Kloppers, 2020). By paying attention to the neighbourhood, the business may make a positive contribution to the overall quality of life in the area. The company can pay attention to the community by carrying out activities and implementing policies that can improve welfare, quality of life, and community potential in a variety of fields; in this case, the point is the benefit of Corporate Social Responsibility (CSR),

which is to be able to develop themselves in order to achieve prosperity as the ultimate goal (Kolk et al., 2019). The neighbouring community's social and survival needs are being met.

Land restoration and reclamation operations are carried out by the business, according to different sources of information. The fact that the business engages in land restoration and reclamation operations demonstrates that the government is in agreement with the local community, which is encouraging. Reforestation is one of the initiatives implemented by the business in order to reduce the negative effect of environmental degradation (Brancalion & Holl, 2020).

The company's environmental responsibilities, such as replanting, represent 85 percent of the total liability for the harm done to the environment in the company's mining regions. The mining company's Corporate Social Responsibility (CSR) initiative has helped to reduce the amount of environmental harm that has occurred as a result of its operations (Wirth et al., 2016; McLennan & Banks, 2019). The data gathered from different sources of processed data from informants linked to the execution of the Corporate Social Responsibility (CSR) program in the form of post-mining rehabilitation and reclamation is consistent with the claims made above.

The business itself acknowledged that it had implemented the Village Partner Program in the area of community capacity building, which was a first for them. That the business cares about the surrounding community, not just for those who are hired by the company, but also for those who are not hired by the company, demonstrates its concern for the neighbourhood.

As a result of the successful collaboration between the government and the business, the initiative was primarily carried out for the benefit of the local community, which was directly impacted by the company's continued operation. Corporate Social Responsibility (CSR) programs are implemented in collaboration with the government and the community by a variety of organizations. Moreover, the government and the community may reap advantages as a result of the business's help in this instance, such as increased community capacity as a result of trainings in the form of Entrepreneurship Training, which the company provides. Assistance is also given in the form of Basic Herbal Training, which is aimed at assisting locals in the creation of new employment opportunities. This is a collaborative effort between the local government and the business with the goal of reducing unemployment and empowering the local population in the surrounding areas.

Cooperation Program in Economics

From a variety of perspectives in the economic sector, it is anticipated that Corporate Social Responsibility (CSR) would grow or have an impact on a certain type of economy. In terms of the law, the business is obliged to adhere to any and all relevant regulations pertaining to Corporate Social Responsibility (CSR). as a result of the fact that every business is successful on a local scale, and that international corporations must adhere to the requirements of relevant legislative laws in terms of corporate social responsibility When looking at things from an ethical standpoint and making a positive contribution to societal problems, businesses must play a significant role in preserving ethics in their operations, such as paying attention to the consequences of their actions and maintaining environmental conditions.

The application of program funding in the economic sector is accomplished via direct participation of the community. In this scenario, those who want to get financial support from the partnership program must go through a number of steps, which include the selection of funding proposals, site surveys, and the collection of full demographic statistics, among others.

There have been a number of initiatives implemented by the government, businesses, and the community, all of which have resulted in the creation of new trading sites and the development of market infrastructure in the region. In order to better organize the market in area X, this improvement was carried out. The development was designed for merchants who were selling along the road.

Because of a lack of awareness within the surrounding community about how money from the economic sector may be used to build infrastructure for the purpose of strengthening the community's economy, there are difficulties in implementing Program funds in the economic sector. According to the findings of the interview, one of the community leaders shared the same sentiments regarding the process of implementing the Partner Program funding in the economic sector, which was carried out by the government and distributed to the community.

There are still individuals who are unaware of the transfer of money in the economic sector, which has made the implementation carried out by the local government insufficiently effective. This is the underlying cause of the difficulties encountered in the execution of Program funding. In the context of policy implementation, an activity is defined as one that generates outputs, effects, and advantages that may be enjoyed by the target population. Good implementation is defined as a procedure that receives positive feedback from the policy recipient community throughout the implementation phase.

Obstacle Factor

Internal variables are those that originate inside an organization and have an impact on an action that has been planned in advance but cannot be carried out correctly. It is possible to affect these internal variables from inside the business as well as from outside factors pertaining to the company's participation. An activity may be carried out correctly if the internal component, in this case a business, adheres to voluntary principles in the course of its operations.

Implementing the business's Corporate Social Responsibility (CSR) program was without incident, and the company had no difficulties. In order to execute the Corporate Social Responsibility (CSR) program, the business has already engaged parties that are experts in the area of Corporate Social Responsibility (CSR) programs.

It is possible for an activity to be carried out correctly if there is an external element that has an impact on the action and allows it to be carried out properly in accordance with the goals. These external variables are affected by both the government and the community, as well as by the stakeholders involved in the implementation of an activity's execution. The operations of the business's Corporate Social Responsibility (CSR) program may be carried out effectively if the company receives support from the government and stakeholders via direct government assistance, programs for sustainable development, with the government acting as a supervisor and control in the course of putting these actions into effect.

An important factor associated with the impeding factors that prevent Company Y's Corporate Social Responsibility (CSR) program from being fully implemented, which are influenced by external factors, is the lack of effective communication between the company, the government, and the surrounding community, which suffers direct consequences as a result of the company's operations. For example, indigenous people who believe they are being treated unjustly because their livelihood area has been exploited by the business without their consent feel they are being treated unfairly.

Conclusion

The implementation of the Corporate Social Responsibility (CSR) program for the welfare of the community in Region X is not fully for the welfare of the surrounding community because the program's implementation is still less efficient. This is because the program's implementation is still less efficient. In terms of the fulfillment of the goals of Company Y's Corporate Social Responsibility (CSR) program, there have been a number of things accomplished in general. This covers the results of the company's land reclamation and rehabilitation operations in Region X, such as planting or reforestation, as well as the company's environmental education programs. The presence of the Partnership Program in the field of empowering community capacity in general has resulted in the provision of support in the form of training to the community in the region, and the business has hired members of the local community as permanent workers in certain cases. Despite the fact that the Partnership Program exists in the economic sector, its implementation is hindered by a lack of awareness among members of the surrounding community about the transfer of money from the economic sector to infrastructure in order to improve the community's economy. Inhibiting factors, which have an impact on the execution of a Corporate Social Responsibility (CSR) program, include external variables that influence the program. This includes a lack of communication between the business, the government, and the local community, which has suffered a direct effect as a result of the company's mining operations.

References

- Abdel-Shafy, H. I., & Mansour, M. S. (2016). A review on polycyclic aromatic hydrocarbons: source, environmental impact, effect on human health and remediation. *Egyptian journal of petroleum*, 25(1), 107-123.
- Advantage, C. (2020). Corporate Social Responsibility. CSR and Socially Responsible Investing Strategies in Transitioning and Emerging Economies, 65.
- Ansu-Mensah, P., Marfo, E. O., Awuah, L. S., & Amoako, K. O. (2021). Corporate social responsibility and stakeholder engagement in Ghana's mining sector: a case study of Newmont Ahafo mines. *International Journal of Corporate Social Responsibility*, 6(1), 1-22.
- Brancalion, P. H., & Holl, K. D. (2020). Guidance for successful tree planting initiatives. *Journal of Applied Ecology*, *57*(12), 2349-2361.
- Cherapanukorn, V., & Focken, K. (2014). Corporate social responsibility (CSR) and sustainability in Asian luxury hotels: Policies, practices and standards.
- Crane, A., Matten, D., & Spence, L. J. (2013). Corporate social responsibility in a global context. Chapter in: Crane, A., Matten, D., and Spence, LJ, Corporate Social Responsibility: Readings and Cases in a Global Context, 2, 3-26.
- Esteves, A. M., & Vanclay, F. (2009). Social Development Needs Analysis as a tool for SIA to guide corporate-community investment: Applications in the minerals industry. *Environmental impact assessment review*, 29(2), 137-145.
- Hidayati, N. D. (2011). Pattern of corporate social responsibility programs: a case study. *Social Responsibility Journal*.
- Hiller, J. S. (2013). The benefit corporation and corporate social responsibility. *Journal of Business Ethics*, 118(2), 287-301.

- Kaźmierczak, U., Strzałkowski, P., Lorenc, M. W., Szumska, E., Sánchez, A. A. P., & Baker, K. A. (2019). Post-mining remnants and revitalization. *Geoheritage*, 11(4), 2025-2044.
- Kolk, A., Kourula, A., Pisani, N., & Westermann-Behaylo, M. (2019). The state of international business, corporate social responsibility, and development: Key insights and an application to practice. In *Business and development studies* (pp. 257-285). Routledge.
- Korhonen, J., Honkasalo, A., & Seppälä, J. (2018). Circular economy: the concept and its limitations. *Ecological economics*, 143, 37-46.
- McLennan, S., & Banks, G. (2019). Reversing the lens: Why corporate social responsibility is not community development. *Corporate Social Responsibility and Environmental Management*, 26(1), 117-126.
- Musavengane, R., & Kloppers, R. (2020). Social capital: An investment towards community resilience in the collaborative natural resources management of community-based tourism schemes. *Tourism Management Perspectives*, 34, 100654.
- Wirth, H., Kulczycka, J., Hausner, J., & Koński, M. (2016). Corporate Social Responsibility: Communication about social and environmental disclosure by large and small copper mining companies. *Resources Policy*, 49, 53-60.