

Illustration of Corporate Social Responsibility by the Hydro Independent Power Producers

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ABSTRACT

There is no research available on CSR (Corporate Social Responsibility) in north Pakistan on power producers. The study is based on LEL (Laraib Energy Limited) to provide an illustration to understand the CSR practices of first Hydro IPP (Independent Power Producer) in North Pakistan named LEL (Laraib Energy Limited) with power generation capacity of 84 Mega Watts. There focus on the production of electricity and well-being of local community is vital. There CSR program's primary focus on most looked-for elements, health, education, physical infrastructure and livelihood at door step for neighboring community. These initiatives eliminated the resistance in the local community for the construction power projects. In future, following the steps of LEL will set a path for new entrants in the Hydro IPPs. Currently one Korean (102 Mega Watts) and two Chinese (720 and 968 Mega Watts) dam construction companies are working on their projects respectively. In future, the energy demand of nation is increasing more Hydro IPP will be required in north Pakistan to cope with the situation. A competitive CSR program will not only ease their operational capability but also enhance the understanding of needs, people living in north Pakistan.

KEY WORDS; CSR, Energy, Hydro, Independent Power, Environment

INTRODUCTION

As Pakistan is energy deficit nation, power generation is the prime challenge for the nation. The Government is requesting support and investment in the energy sector [1]. North Pakistan is full of energy generation potential and natural beauty. As [2] to be socially and environmentally responsible in this regard are highly demanded from companies. Being socially responsible is more valid than ever for businesses [3]. The CSR became an essential part of business models and new fashion over this as the vital source of competitive advantage [4]. In the developing parts around the world, it's paving ways to sustainable development and business activity. Looking around in South Asian region China and India are in lead of implementing the CSR in their national business strategies [5]. The objective of Clean Development Mechanism (CDM) is associated with the sustainable development and in this regard, CSR activities are the main objectives of CDM. This objective gives companies an increasing motivation to sustainable development through their activities in CSR areas. So CSR activities are directly associated with the sustainable development of the companies[6].

The discussion on corporate social responsibilities (CSR) is on its topmost[7]. Now a day the expectations of the societies in the term of the information from annual reports of the companies have been increasing day by day. The information in terms of financial reporting is not only necessary to disclose by the organizations but also to disclose their corporate social initiatives and corporate social reporting are the key concerns of the stake holders too [8]. This trend has been moved the organizations toward the social initiatives and their level of disclosure. The public sector organizations have now been willing to actively participate in corporate social responsibility's disclosure of reports, their initiatives and actions in their financial reports to the organizations' stake holders. Truly ethical conduct of the companies must profit on business in the long run, seems well established in much current thinking [9].

Companies incorporated in corporate social responsibilities, and corporate social initiatives have now started recognizing their brands in an increasing competitive market place. As consumers are more acutely sensitive about the companies' social role and human right history of their favorite brands[10].

CSR disclosure should be made an obligatory requirement because due to the absence of mandatory necessities, public-listed firms lack comprehensive and specific framework [11]. As per [12] researchers and political communities focus and must evaluate the initiatives of CSR and other efforts by corporations. More on the basis of their ability and strength to mainly contribute to be institutional well as structural development rather than on the

basis of any single visible activities, such as constructing roads, bridges or building hospital etc. The CSR initiatives should be globalized to incorporate developing and emerged nations.

LITERATURE REVIEW

There is a gradual need of public policy formation for creating a balance between energy generation and environmental protection[13]. Companies are striving to have good CSR initiatives and engagement in supportive behavior for its consumers. It is a challenge for the companies having negative reputation to communicate its good deeds even when these companies are collaborating with non-profits. Reputation is not a condition for Consumer Company Identification (CCI) [14]. There is similar impact between CSR activities and the company's business is always positive[15].

Transparency increased by extending the CSR disclosure regarding firms' social and environmental performance, while using less-readable language in CSR can create complexity in CSR reports [16]. Perception about CSR activities and practices is mainly influenced by the media framing, whereas the corporate hypocrisy perception and subsequent attitudes may vary depending upon individual ethical orientation. People react to media framed CSR activities very strongly and differently. The relationship between public's ethical orientations, media frame, and people's reaction to CSR activities will provide meaningful insights into effective CSR communication strategies for corporations [17]. Organizations, CSR activities and their core business activities are mainly influenced by the content of media coverage. When organization's CSR initiatives fit with their core business are considered substantially changing with respect to the core values within the society. Whereas those organizations are indicated as practical representation with their CSR activities. Companies gain clearer media framing about their CSR's activities if they are in line with their core business activities [18]. Demand for CSR assurance through independent third parties is considered by shareholders to be economically valuable for firms without women directors and invaluable for firms with gender-diverse boards [19]. Consumers' pro-social behavior can be influenced by the corporate social responsibility practices. Positive and negative pro-social behavior of the consumer depends upon their distance from the brand. If they are close with the brand. They are more pro social in respect to CSR practices motivated by the public serving reasons. Whereas in case of a firm's motivation in self-serving, brand close consumer become doubtful, which than decreases their intention to the cause of social support [20].

A new organization established or with the help of existing organization would need to be authorized, or, to record environment-friendly actions, audit and advice on solving environmental issues. For this purpose, it is much more needed to introduce a new standardized reporting format in CSR reporting for tannery's enterprise or to make them familiarized with the system of environmental monitoring [21].

Civic engagement, regulatory effectiveness and competitive conditions seem to significant factors that influencing CSR penetration with macroeconomic conditions and industrial self-regulation to play a less significant role on national CSR penetration. Institutional parameters may influencing CSR practices for its effective implementation [22]. The provision of nutrition information on the children's menu in restaurants has an indirect effect on parent's visits intentions through perceived CSR. The information on menus; they tend to observe restaurants as socially responsible, which in turn increase their visitation to restaurants with children [23].

Sense making perspective may constitute a fruitful theoretical basis to explore multi-stakeholder perceptions in order to advance toward a stakeholder defined S-CSR. CSR related to Sports cannot reduce the relationship and to partnership between sponsor and sports properties. It is facts that there are many other stakeholders are also involved such as NGOs and public authorities [24]. Gender balance in top management supports CSR performance. The state invested corporations show significant association between CSR rating and foreign equity ownership levels[25].

Firms and their commitment greatly expect pressure by cultural dimensions[26]. Companies in collectivist societies and, even in feminist ones, are characterized by the pursuit of the common good. They place greater emphasis on social and environmental issues. Mostly, companies give importance to what is important to their own countries. Whereas similar CSR practices patterns are being adopted by the companies around the world. However, the degree of development is determined by the normative institutional characteristics [27]. Across the globe in different societies companies are investing in CSR with priority to stay competitive[28].

MATERIALS AND METHODS

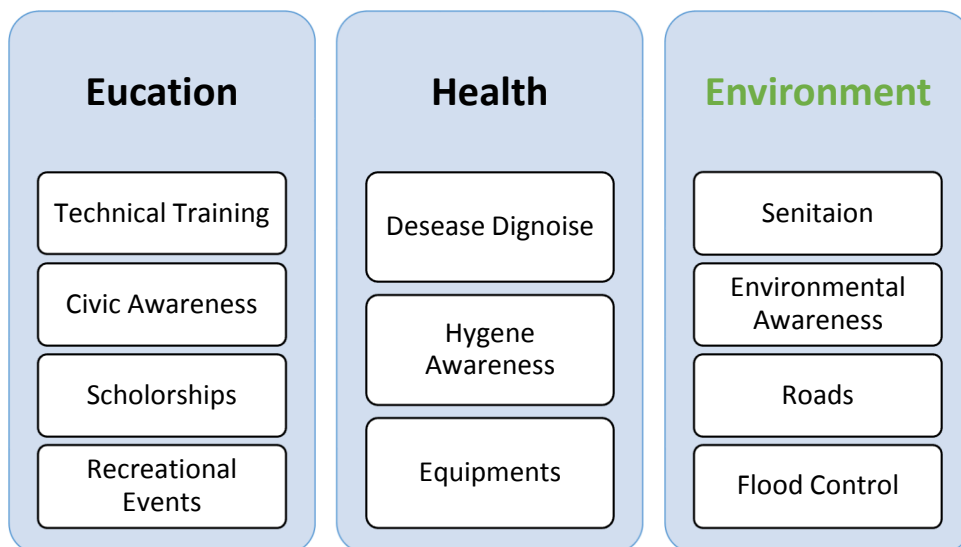
The data for this exploratory study was gathered, from the Laraib Energy Limited official report on CSR [29]. We have used VOYANT online Tool [30] to identify the indicators in CSR activities of LEL Limited. Global reporting method from Global Reporting Initiative (GRI) was adopted to elaborate the CSR elements likewise education,

health, and environment [31]. As per [32] GRI 2006 is known as most applicable guide for the extraction of CSR elements.

Laraib Energy Limited CSR Program

We have developed a consolidated model based on their set of CSR activities.

Figure 1 *Laraib Energy Limited CSR Program*



Laraib Energy Limited working for corporate social responsibility in ways as, they are contributing in education, health and civil infrastructure. In the context of health, they are providing different equipment as add to different hospitals and also working for hygiene awareness. They are taking active part in sponsoring technical programs under the supervision of TEVTA (Technical Education and Vocational Training Authority). They are providing different scholarship to the needy students. They are sponsoring different events. Laraib also contributing in development of civil infrastructure of the city. They are spreading environmental awareness among the citizens from the city.

CONCLUSION

It is noticed that CSR became a foremost element of business models and considered as the important source of competitive advantage in the nation. From the discussion, we come to know that, those organizations which prefer an effective CSR reputation it encourages the well-being of the regional located community. The Laraib Energy Limited CSR programs paying attention to the development of civil infrastructure and as well as major areas or parts like health, education through this the (Laraib Energy Limited) organization will be able to meet the basic requirement or demand throughout the country for the future. Finding declared that, the competitive CSR program will be able to meet the necessary needs or wants of the single individuals who are actually living in North Pakistan. The LEL initiatives can be better ground of public policy for IPPs.

Demand for CSR shows that, all the independent parties are economically helpful for the well-being of the organization. Mostly, organization tries to develop or create a new standardized reporting format in CSR to get familiar with the systematic process of environmental monitoring.

In the result shows that CSR activities are directly linked to sustainable development within the company.

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