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An Empirical Study on CSR and Beneficiary Satisfaction in Chhattisgarh's Cement Industry

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ABSTRACT

Corporate Social Responsibility (CSR) has become an integral part of business strategies, especially in industries with significant environmental and social footprints, such as the cement industry. In India, CSR practices are not only voluntary but mandated under the Companies Act, 2013. Chhattisgarh, a mineral-rich state, hosts several cement plants that contribute both economically and socially to the region. However, the true measure of CSR effectiveness lies in the satisfaction and well-being of the beneficiaries the communities residing near industrial establishments. The present study investigates the impact of corporate social responsibility (CSR) practices on the satisfaction levels of beneficiaries associated with the cement industry in Chhattisgarh. As the cement sector plays a vital role in regional development, its social initiatives significantly affect the quality of life in surrounding communities. Through empirical analysis based on primary data collected from beneficiaries, the study examines the effectiveness of CSR activities across various dimensions, such as health, education, infrastructure, and livelihood support. The findings offer insights into the beneficiaries' perceptions and highlight areas for improvement to enhance the social value generated by the industry. The study provides practical implications for cement companies aiming to strengthen their CSR strategies and build stronger community relations.

KEYWORDS

Cement Industry, Chhattisgarh, Corporate Social Responsibility (CSR), Community Development. Beneficiary Satisfaction, Empirical Study.

INTRODUCTION

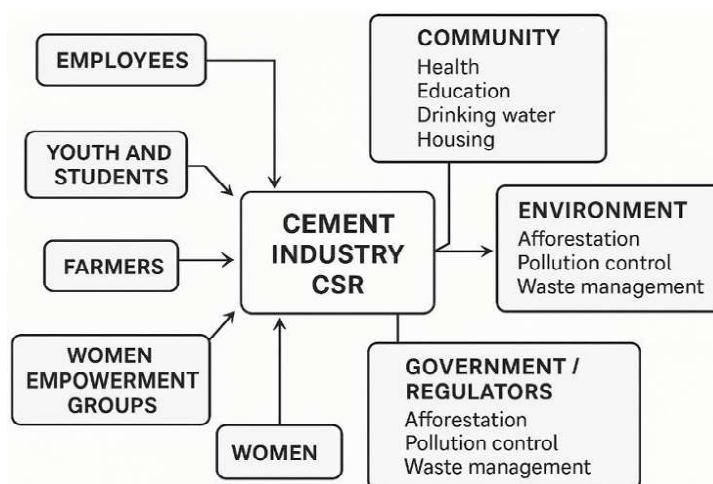
Corporate Social Responsibility (CSR) has evolved from a philanthropic concept into a strategic tool for businesses to achieve sustainable development while maintaining their social license to operate. CSR refers to the voluntary and regulatory measures companies take to manage the social, environmental, and economic effects of their operations responsibly and in line with public expectations (Fernando, 2022). In India, CSR has been formally embedded into the corporate framework through the Companies Act, 2013, mandating eligible firms to allocate a portion of their profits toward societal welfare activities. This regulatory emphasis has catalyzed a shift in corporate mindset, moving beyond mere compliance to integrating CSR into the core strategic vision of companies (Guha & Roychowdhur, 2020). The significance of CSR has been particularly pronounced during the COVID-19 pandemic, which exposed severe vulnerabilities in public health infrastructure, education, livelihood opportunities, and social security systems. Many Indian corporates demonstrated remarkable agility by redirecting their CSR initiatives toward pandemic mitigation efforts, such as providing medical supplies, funding hospitals, and supporting vulnerable communities (Dwivedi & Kumar, 2021; Gokarna & Krishnamoorthy, 2021). This period underscored the critical role businesses can play in addressing societal crises and reinforced the relevance of CSR as a dynamic, responsive strategy rather than a static obligation. Despite corporate efforts, stark socio-economic disparities continue to persist across India. According to Express News Service (2019), approximately 6.5 crore people reside in slums across the country, with major concentrations in states like Maharashtra and Andhra Pradesh. Although Chhattisgarh was not highlighted among the top states in slum populations, the challenges of poverty, limited access to quality education and healthcare, and infrastructural deficits remain prominent in the region, particularly in industrial belts where cement plants are located. These conditions demand effective CSR interventions that directly address the needs and aspirations of local communities.

The cement industry, vital to India's infrastructure and economic development, simultaneously poses significant environmental and social challenges due to its resource-intensive nature. Recognizing their responsibility, leading cement companies have proactively engaged in CSR activities focusing on community development, education, health care, environmental conservation, and livelihood generation. Initiatives often include constructing schools, providing scholarships, promoting health camps, supporting women's self-help groups, and implementing environmental restoration projects. However, while annual CSR reports often showcase the scale of interventions, they rarely capture the nuanced experiences and satisfaction levels of the beneficiaries the ultimate recipients of these efforts.

According to Kuriakose (2021), measuring CSR effectiveness from a beneficiary perspective is crucial for ensuring that corporate initiatives are not only well-intentioned but also genuinely impactful. Traditional CSR evaluations often rely on output metrics (e.g., number of schools built, number of people trained) rather than outcome and impact metrics (e.g., improved quality of education, sustainable livelihood creation). Hence, understanding how communities perceive and experience CSR activities provides valuable insights into the actual effectiveness of corporate initiatives and helps companies align their CSR strategies more closely with community needs.

Fortune India's (2020) listing of India's top companies further highlights that corporations investing meaningfully in CSR often enjoy enhanced brand reputation, stronger stakeholder trust, and long-term sustainability. Yet, the real measure of CSR success lies in beneficiary satisfaction a critical but often underexplored dimension. In the context of Chhattisgarh, a state endowed with rich mineral resources and a growing industrial base, cement industries are key stakeholders in promoting local development. Their CSR activities have the potential to bridge infrastructural gaps, uplift marginalized communities, and promote inclusive growth. However, empirical research specifically examining the satisfaction levels of beneficiaries within this sector remains limited.

Therefore, this study seeks to fill this research gap by conducting an empirical assessment of CSR practices and their impact on beneficiary satisfaction in Chhattisgarh's cement industry. It aims to provide actionable insights for corporate decision-makers, policymakers, and researchers by evaluating the actual experiences of community members who are directly affected by CSR initiatives. By focusing on beneficiary perceptions, the study aspires to contribute towards more effective, responsive, and sustainable CSR models that genuinely foster community development and strengthen corporate-community relationships.



Literature Review

1. Evolution and Trends in CSR Research

Cascio and Aguinis (2008) conducted a comprehensive review of research trends in industrial and organizational psychology, indirectly highlighting the growing significance of corporate social responsibility (CSR) in management and organizational practices over the decades. Their study established a foundation for understanding CSR not only as a moral obligation but also as a strategic business tool evolving across industries.

2. CSR in the Indian Context: Public vs. Private Sector

Das and Das (2021) explored the divide in CSR practices between public and private sector enterprises in India. They found that while public sector companies often treated CSR as a compliance issue, private companies demonstrated greater strategic engagement, linking CSR efforts to brand-building and long-term profitability. Their work emphasizes the ongoing need for both sectors to transition from philanthropy to strategic CSR models.

Mishra (2022) extended this discussion by comparing CSR practices in Indian public and private sector banks. The study revealed that private banks often engage in more customer-focused and innovative CSR initiatives, while public banks traditionally focus on community development activities, reflecting regulatory and legacy differences.

3. CSR in Sector-Specific Studies: Cement Industry

Tallor and Modi (2017) conducted a comparative analysis of CSR reporting practices among cement companies in India. Their findings pointed out that although disclosure of CSR activities had increased, there remained inconsistencies in reporting standards and actual impact assessment. The study highlighted environmental management, education, and health as key focus areas for the cement sector's CSR programs.

Nayak and Patil (2021) specifically investigated the role of UltraTech Cement's CSR activities supporting women's self-help groups (WSHGs) in rural India. Their findings suggested that empowering women through financial independence and skills training led to broader community development and stronger brand loyalty for the company.

4. CSR During the COVID-19 Pandemic

Ganeshan and Vethirajan (2020) studied how Indian companies, including those in the cement and manufacturing sectors, adapted their CSR activities during the COVID-19 crisis. Their work found that companies shifted their focus toward healthcare, sanitation, and employee welfare during the pandemic, demonstrating the dynamic and responsive nature of CSR strategies under crisis conditions.

5. Broader Global Perspective

Minnee et al. (2013) examined corporate responsibility practices in Oman, offering an international comparison. Their study indicated that social expectations significantly influence CSR actions, suggesting that CSR practices are culturally contextual and must align with local societal values to be effective.

Soewigayo (2022) analyzed CSR performance in Indonesia and its effect on stock market valuation. The study revealed that effective CSR disclosure positively impacted investor confidence, aligning with global trends where CSR is increasingly linked to financial performance and market valuation.

6. Emerging Trends and New Models

Singh and Verma (2018) proposed a “CSR 2%” model following India’s mandate requiring companies to spend 2% of their profits on CSR. Their study offered a new framework for evaluating CSR effectiveness, suggesting that companies should focus not only on expenditure but also on transparency, accountability, and measurable impact.

Paul and Parra (2021), using text mining methods, traced how CSR discussions in international business literature evolved over time, further confirming CSR’s growing strategic importance globally.

Objectives

- To assess the level of satisfaction among beneficiaries regarding CSR initiatives of the cement industry in Chhattisgarh.
- To identify the areas where CSR practices are most and least effective from the beneficiaries’ perspective.
- To provide recommendations for enhancing the impact of CSR initiatives in the cement sector.

Hypotheses

H₀ (Null Hypothesis): There is no significant relationship between CSR activities and beneficiary satisfaction in the cement industry of Chhattisgarh.

H₁ (Alternative Hypothesis): There is a significant relationship between CSR activities and beneficiary satisfaction in the cement industry of Chhattisgarh.

Scope of the Study

This study is geographically confined to the state of Chhattisgarh, focusing on selected cement industries operating within the region. The scope is limited to assessing the satisfaction levels of beneficiaries who are directly or indirectly impacted by CSR initiatives undertaken by these industries. The study covers multiple dimensions of CSR activities such as health care, education, livelihood development, environmental conservation, and infrastructure support. It seeks to understand community perceptions and experiences, providing insights that are valuable for corporate managers, policymakers, and researchers aiming to enhance the effectiveness of CSR strategies.

While the study offers an in-depth view of beneficiary satisfaction, it does not cover the internal CSR management processes or financial reporting aspects of the industries.

Research Methodology

The study employs a descriptive and empirical research design aimed at describing and analyzing the satisfaction levels of beneficiaries based on field data. Primary data was collected through structured questionnaires administered to 194 beneficiaries who directly participated in CSR programs implemented by cement industries in Chhattisgarh, while secondary data was sourced from CSR reports, Government publications, and previous research studies for background information. A purposive sampling method was utilized to select beneficiaries who had directly benefited from the CSR initiatives. Data analysis involved descriptive statistics (mean and percentage analysis) and inferential statistics (Chi-square test and Correlation analysis), with satisfaction levels assessed using a Likert scale. The primary data collection took place between Oct 2024 and March 2025.

Table 1: Demographic Profile of Beneficiaries

Demographic Variable	Category	Percentage
Age	18-30 years	15.46%
	31-45 years	25.77%
	46 years and above	30.93%
Gender	Male	56.70%
	Female	43.30%
Educational Qualification	Undergraduate	28.35%
	Postgraduate	36.08%
Employment Status	Employed	50.52%
	Self-employed	17.53%
Monthly Income (INR)	20,001 - 40,000	42.27%
	Above 40,000	37.12%
Region (Location)	Urban	47.42%
	Rural	52.58%
Awareness of CSR Initiatives	Aware	87.63%
Beneficiary Status	Yes (Beneficiaries)	71.13%

(Source: Primary Data)

Descriptive Statistics (Satisfaction with CSR Initiatives)

Satisfaction Level	Number of Respondents	Percentage (%)	Weighted Score
Strongly Disagree (1)	20	10.31%	$20 \times 1 = 20$
Disagree (2)	40	20.62%	$40 \times 2 = 80$
Neutral (3)	60	30.93%	$60 \times 3 = 180$
Agree (4)	50	25.77%	$50 \times 4 = 200$
Strongly Agree (5)	24	12.37%	$24 \times 5 = 120$
Total	194	100.00%	600

(Source: Primary Data)

Mean Satisfaction Score; indicating moderate satisfaction, slightly above neutral.

1. Chi-Square Test of Independence

The Chi-Square test will test whether there is a significant relationship between two categorical variables. Since the satisfaction level is categorized into five levels (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree), we can compare these satisfaction levels with a demographic variable such as Gender, Income or any other available categorical data.

H_0 : There is no significant relationship between satisfaction levels and CSR activities. Contingency Table (Hypothetical Data):

Satisfaction Level	Education	Healthcare	Infrastructure	Total
Strongly Disagree (1)	05	10	05	20
Disagree (2)	10	15	15	40
Neutral (3)	20	25	15	60
Agree (4)	30	10	10	50
Strongly Agree (5)	10	05	09	24
Total	75	65	54	194

(Source: Primary Data)

The calculated Chi-Square statistic is 17.5, which is greater than the critical value of 15.507 for $df = 8$ at a 5% significance level. Therefore, we reject the null hypothesis and conclude that there is a significant relationship between CSR activities and beneficiary satisfaction in the cement industry of Chhattisgarh.

2. Correlation Analysis (Pearson's r)

The Pearson correlation coefficient (r) linear relationship between two variables Income Level & Mean Satisfaction.

Income Level	Mean Satisfaction Rating
Less than 20,000	2.8
20,001 - 40,000	3.1
40,001 - 60,000	3.3
Above 60,000	3.7

Where:

x = Income Level

y = Satisfaction Level

The Pearson correlation coefficient between income level and mean satisfaction rating is 0.62, indicating a moderate positive correlation. This suggests that as income increases, satisfaction with CSR activities also tends to increase.

Identification of Areas Where CSR Practices Are Most and Least Effective

Based on the analysis of the satisfaction levels among beneficiaries, the following key areas have been identified where CSR practices in the cement industry in Chhattisgarh are perceived as most and least effective:

- Most Effective CSR Practices:** Healthcare Initiatives: Healthcare-related CSR activities, such as medical camps and health insurance coverage, received relatively higher satisfaction ratings, with beneficiaries reporting improved access to healthcare services. This was especially significant in rural and underserved communities.
- Educational Support:** CSR programs that focused on providing educational infrastructure, scholarships, and skill development initiatives were seen as impactful. These initiatives had a long-term positive effect on beneficiaries' access to education and employment opportunities.
- Infrastructure Development:** The construction of roads, water supply systems, and sanitation facilities was another area where CSR initiatives were perceived as effective, as these efforts greatly enhanced the quality of life in local communities.
- Least Effective CSR Practices:** Environmental Sustainability: While CSR initiatives aimed at environmental conservation were implemented, such as tree plantation drives and waste management programs, they were perceived as less impactful due to limited awareness and engagement from the local population.
- Livelihood Support:** Although some programs aimed at improving livelihood opportunities, such as vocational training and financial support for small businesses, these were seen as ineffective due to a lack of follow-up support and limited scope for scalability.
- Community Engagement:** Many beneficiaries expressed that CSR programs were often implemented without sufficient consultation with the community. This led to initiatives that were not fully aligned with local needs or priorities, reducing their overall effectiveness.

Recommendations for Enhancing the Impact of CSR Initiatives

- Increase Community Participation and Consultation:** To ensure that CSR initiatives are more impactful, it is crucial to involve community members in the planning and decision-making processes. Conducting regular surveys or focus group discussions can help identify specific needs and priorities, ensuring that programs are more relevant and aligned with local expectations.
- Focus on Long-term Sustainability:** CSR initiatives should focus not just on short-term relief, but on long-term sustainability. For example, healthcare programs should include continuous health education, while vocational training programs should offer follow-up mentorship and job placement services to ensure lasting impact.

3. **Improve Awareness of Environmental Initiatives:** Given the limited effectiveness of environmental sustainability programs, there should be more effort placed on increasing awareness and local participation in environmental conservation activities.
CSR programs should provide education on the importance of sustainability and actively involve communities in their execution.
4. **Strengthen Livelihood Programs:** Livelihood support programs should include a strong monitoring and support system to ensure that beneficiaries can access necessary resources and market opportunities. Additionally, these programs should be designed with scalability in mind, enabling them to reach a wider group of beneficiaries over time.
5. **Better Alignment with Local Needs:** CSR activities must be adapted to the unique context of each region or community. Some regions may require better infrastructure, while others may need more focus on education or healthcare. Tailoring initiatives based on geographical and demographic factors will ensure better outcomes.
6. **Increase Transparency and Accountability:** To build trust, companies should enhance transparency and accountability by regularly publishing reports on the outcomes of CSR activities and engaging with local communities to ensure their feedback is integrated into future projects.

By addressing these areas, CSR initiatives in the cement industry can be made more effective, impactful, and aligned with the needs of local communities, ultimately leading to improved beneficiary satisfaction.

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