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The Influence of Corporate Social Responsibility on The Development of Social Capital: Case Study of the Royally-Initiated Khundan Prakarnchon Hydropower Plant Development Project

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Abstract

The objectives of this study were 1) to investigate how social responsibility is being included into community hydropower plant construction projects, which has led to a rise in social capital.; and 2) to create a framework for the growth of social capital via CSR initiatives. The present research employed the qualitative data analysis by ATLAS ti program. The case study took place in the Baan ta dan community where the key informants involved in the construction of the Khundanprakarnchon hydropower plant were interviewed using a documentary research technique and an in-depth interview method. These key informants included representatives from corporate social responsibility organizations, community leaders and villagers, and network partners. The findings revealed that the development of hydropower plants constituted a type of altruistic corporate social responsibility giving financial support, equipment, and volunteer workers to aid in the construction of the hydropower plant, which had an impact on the development of social capital in the dimensions of networks, norms, and trust. During the process, there were norms in place throughout the process, which were developed based on network resources such as; money, labor, machinery, knowledge, and facilitation. In terms of trust can be developed and maintained by supportive factors of the following: network leader, experience, compliance with agreements, communication, and informal meetings. However, it was discovered that trust tended to grow during the process, but that it may then regress owing to disagreements among network partners. Restoring trust may be possible through the strategic coordination of a third party intermediary, chance meetings, and honest dialogue. When discussing networks, it is possible that community agreements will be affected by the agreements reached between network partners. Therefore, the implementation of CSR resulted in a dynamic process of building social capital. Most importantly, this research demonstrated that the development of novel understanding is possible using a community-based approach.

Keyword: social capital development, corporate social responsibility, hydropower plant, Nakorn Nayok province.

Introduction

Donating money or volunteering help are two examples of social responsibility that can have positive or negative effects on society. Some companies hide a more sinister goal behind their public-spirited veneer (Rahman, 2011). Instead of using it for the greater good of society, they employ it for public relations purposes. Socially responsible businesses should work for the long-term betterment and growth of their communities, on both a macro and local scale (Visser, 2011, p. 7). Using corporate social responsibility as a vehicle for community development is considered as a helpful and exciting activity since communities are the basic unit of society and are crucial for national development (Moratis & Cochius, 2011, pp. 16-17). The steadier the growth of a nation through time, the more vital the community. It also follows the guidelines for development laid out in the 12th National Economic and Social Development Plan (2017-2021), which aim to create a happy society characterized by equality, fairness, and resistance to change through the coordinated efforts of all development sectors at the local, regional,

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and national levels (Office of the National Economic and Social Development Board, 2021). Developing a community can be done in many different ways, from encouraging people to work in the area to helping kids get a good education to spreading knowledge that can improve people's lives, and even to building things like roads, water systems, and power grids.

One of the most fascinating kinds of power plant is the hydroelectric plant, which uses water from waterfalls to generate electricity. Hydropower plants have less of an impact on the environment than other forms of power plants, such as biomass and waste power plants. There are both direct and indirect benefits to constructing a hydropower plant for a town, beyond only meeting the energy needs of local citizens and businesses. Residents of the upstream forest must maintain forest moisture and encourage rains in order to meet the water needs of the hydropower project. In addition, the growth of social capital within the community through participation, collaboration, and network building is crucial, as is the growth of social capital between the community and other organizations like government agencies, private businesses, and NGOs. Community hydropower plant development is beneficial to the community if all related sectors and community members are involved in the planning, building, and operating stages. Residents take pride in the power plant because of their involvement, making them more committed to its upkeep and success. If people in the neighborhood think that the power plant will allow them to use electrical appliances as long as they pay the bill, they will never feel empowered or grow the way they should.

The royal project is an initiative of His Majesty King Bhumibol Adulyadej of Thailand, and other organizations with direct involvement, such as the Electricity Generating Authority of Thailand, have built several community hydropower plants across Thailand during the past decade. The Electricity Generating Public Company Limited and several network partners, including the Baan ta dan community, the Hin Tang Subdistrict Administrative Organization, and the Nakhon Nayok Provincial Administrative Organization, provided financial and in-kind support for the construction of hydropower plants in accordance with the CSR model, such as the "Khundanprakarnchon hydropower plant" in Nakhon Nayok province.

It is important to understand how social responsibility can influence the social capital development process along the dimensions of networks, norms, and trust, even though the completion of construction of those royally-initiated development power plant projects and the achievement of the goal of generating electricity for the people attest to the projects' partial success. The construction of a power plant could not be considered as advantageous to community development if it does not contribute to the expansion of social capital in the area. It's intriguing to think about how Baan ta dan's CSR initiatives have influenced the growth of the city's social capital. The findings will show how ethical behavior may help increase social capital. The community's social capital development processes may lead to new fields of study and a model of social capital development linked to social responsibility initiatives.

Research Objectives

1. To investigate how social responsibility is being included into community hydropower plant construction projects, which has led to a rise in social capital.
2. To create a framework for the growth of social capital via CSR initiatives

Research Methodology

Research Design

The purpose of this qualitative study was to examine the influence of public and private sector CSR

implementation on social capital development across the pre-construction, construction, and post-construction phases of the community hydropower plant construction project. Given that case study research is "an in-depth study of instances of a phenomenon in its natural context and from the perspective of the participants involved in the phenomenon" (Gall, 1996, p. 545) and "an empirical inquiry that investigates a contemporary phenomenon within its real-world context especially when the boundaries between phenomenon and context are not clear," the first and second aims of this study were addressed through the use of case study research. This approach was appropriate because it helped the researcher see and understand CSR, social capital, and their interplay in the study areas as they actually exist in the real world.

Following is a breakdown of how we choose the case studies to use to accomplish this study's goals.

- 1) The town needed a power plant capable of producing enough energy from hydropower.
- 2) The power plant's overall generating capacity was to be between 20 and 30 kilowatts, and it needed to be able to use only locally available resources to do so.
- 3) The construction of the community power plant required the implementation of corporate social responsibility by the involved organizations. The organizations involved in this instance did not include the government agencies directly responsible for the community power facility.
- 4) Participating organizations could contribute to the community power plant's construction in a number of ways, including monetary contributions, the provision of necessary tools and equipment, the dispatch of volunteers and employee representatives, and the provision of relevant expertise in civil construction, electricity, mechanical engineering, and accounting.
- 5) The construction stages required to include the original initiating organizations.
- 6) Residents in the area were required to take part in the building effort in various ways. Contributions of time, energy, and money were examples of direct engagement. Paid laborers are an example of indirect participation.

Data Collection

Documentary Research

Secondary data was gathered by the researcher from a wide range of published works, including textbooks, articles, theses, and research papers. The literature study of CSR and social capital drew on information found in a variety of sources, including textbooks, scholarly publications, theses, and research papers. Annual reports, corporate social responsibility reports, and sustainability development reports provided the data necessary to describe the state of the organizations as a whole.

Field Research

There are two distinct phases of fieldwork. First, there was the fieldwork done at the public and private institutions involved; second, there was the work done in the Baan ta dan community. Key informants were interviewed in-depth utilizing a questionnaire to glean information.

Research Instruments

In-depth Interviews

The researcher decided that in order to conduct this study's main informants required to have some

connection to the hydroelectric facility. Those who are able to provide factual information based on their real experiences participating in the hydropower plant construction projects may work for the companies that conceived of the construction projects, work for public organizations, or simply be residents of the Baan ta dan communities. The selection criteria for these primary sources are detailed in Table 2.

Table 2 Key Informants

Key Informants	No of Interviewees	Qualitative Methods
Employees in the organizations that initiated the construction projects	15	In-depth and focus group interview
Employees in the public organizations	29	In-depth and focus group interviews
Baan ta dan villagers	65	Observation, and focus group interviews

Qualitative Analyzing by ATLAS.ti program

The data was transcribed and saved as a separate file for further analysis; the researcher then compiled all of the files into a folder and made a backup copy of the physical copies. Data coding and subsequent initial coding were performed by the researcher using the ATLAS.ti program (Friese, 2012). Using the ATLAS.ti software, the researcher first engaged in open coding, then moved on to family coding, and finally came up with the themes. The researcher also used mind mapping to glean textual codes and data, move up to theoretical categories, and keep writing notes all through the investigation.

Results

The purpose of this section is to provide a concise overview of the results of a qualitative study done by ATLAS.ti based on interviews with participants in the process of developing social capital as a result of the application of social responsibility in the community hydropower plant building projects. The results as a whole showed that social capital's performance was significantly affected by numerous key parameters. Based on the information gathered from the in-depth interviews, a summary of the qualitative findings and conclusions may be given, disaggregated for use in the context of CSR implementation.

Organizations have a duty to their stakeholders, and one way they may fulfill that duty is through corporate social responsibility (CSR) initiatives like constructing a community power plant. Communities benefited from increased access to education and employment opportunities made possible by modern electricity infrastructure. Organizations driving the development of a power plant vary widely in terms of their ability to do so and the resources at their disposal. While they may be financially secure enough to create a budget, some organizations may lack the expertise and manpower to fully implement it. Numerous groups are eager to back a hydro power plant's development. While some of them have the financial means to build, they do not have access to the necessary skilled labor or knowledge of suitable locations. Because it is time-consuming and costly to conduct surveys and gather data independently, many companies are shifting focus and incorporating CSR into other areas of operation instead (Wasserman & Faust, 1994).

The first step for any company wanting to construct a community hydro power plant is to locate

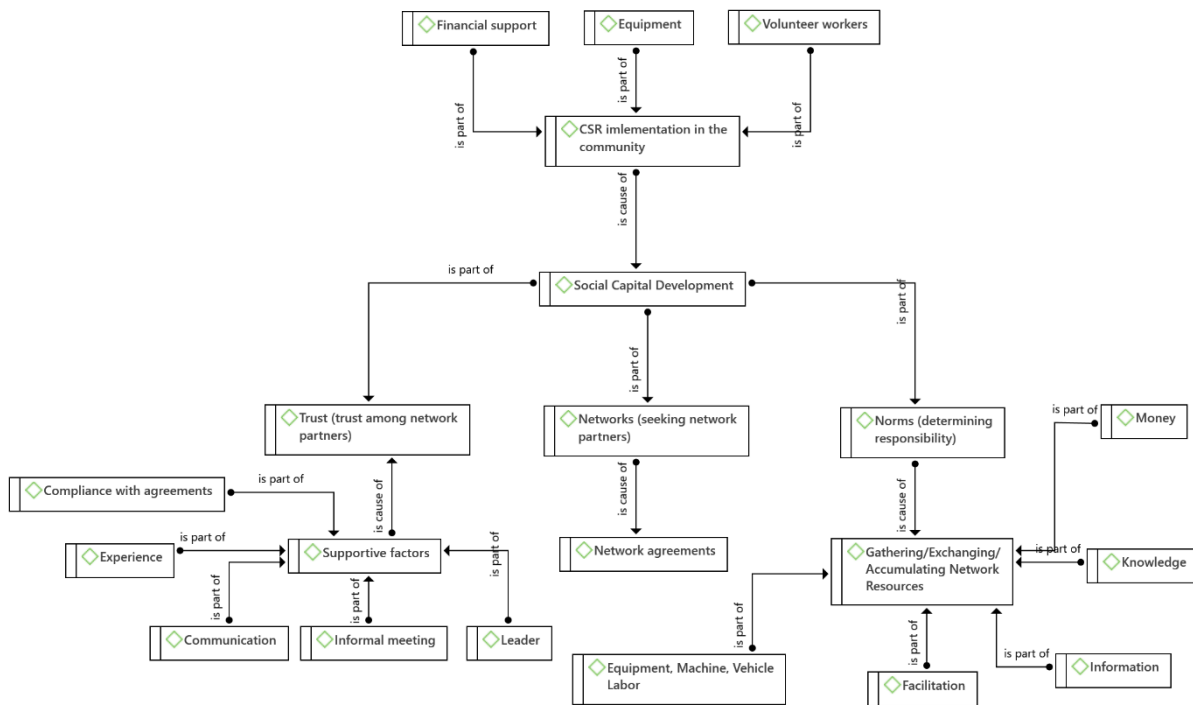
a partner to help in the search for communities with the right potential and to act as a go-between for the company and the community. Community intermediaries should focus on helping people find the right communities for them and building strong relationships within those communities. If they have expertise organizing community events, especially in the neighborhood where the power plant will be constructed, it will be very useful. Reputable intermediaries play an important role in ensuring the success of CSR initiatives (Kilduff & Brass, 2010).

Once the proper communities have been chosen, the social capital building process will proceed in three distinct ways: through the cultivation of networks (through the active pursuit of network partners), norms (through the determination of responsibility), and trust (through the cultivation of trust among network partners). Organizations from different fields, such as schools and community groups, can work together as network partners. To pool, trade, and amass resources, a community network needs to be established. Funding, manpower, tools, machinery, transportation, expertise, and organizational support are only some of the network resources essential to building and maintaining a hydroelectric plant.

The growth of social capital in the area of accountability is seen as a network norm (Gitomer, 2008). Norms for networks are established so that groups working together to accomplish a common goal (such as a community, a primary organization, an intermediary organization, and partners) may operate in an efficient and productive manner. Community agreements may be affected by the terms of agreements reached between network partners. The villagers' obligations to one another and the community as a whole will be spelled out in the network agreements. In order to reach their aims, the villagers must follow the rules established by the community network.

Building trust amongst team members is crucial. It's possible to construct and undo. The nature of trust is fluid. Network participants' initial mistrust of one another can be transformed into trust over time (Fukuyama, 1995, p. 26). Putting faith in community standards and economic growth. The following are elements that contribute to the establishment and maintenance of trust: Complying with agreements that can lead to trust among network partners, recognizing the value of past experience or lessons learned, acknowledging the behavior of partners, and communicating that can cause conflict are all necessary ingredients for successful network relationships, reduced conflict, and distrust. When there are disagreements, trust decreases. It is the responsibility of the sender to choose a mode of communication that will ensure that the message is received and understood without any confusion. A construction supervisor, for instance, would do well to speak to the villagers in plain English and provide concrete examples to clarify any points of confusion. The fifth is to have casual meetings, which will assist to dissolve formal and organized habits and foster a congenial working culture. This will facilitate conversation amongst network members on both serious and frivolous matters. Golembiewski and McConkie (1975) found that amiable and informal communication reduced conflict.

The initial ring of a network representing the growth of social capital consists of a community, the primary organization driving a project, and an intermediate (Miles, 2012, p. 297). Then, growth in social capital will occur along the dimensions of network partners, norms, and trust. Findings about CSR implementation and analysis results of the social capital development process in the case study, the royally-initiated khundan prakarnchon hydropower plant development project, were synthesized to form the model of social capital development in the present study (see Figure 1). Social capital development along the dimensions of networks, norms, and trust are what this model sets out to illustrate. Additionally, it elucidates the prerequisites and sustaining elements necessary for social capital formation and upkeep.

Figure 1: Model of Social Capital Development in the Dimension of Networks, Norms, and Trust Resulting from CSR Implementation

Conclusions and Discussion

The goal of building a hydroelectric plant was to improve the living conditions of outlying areas by making energy available. The network was the project's primary factor in its ultimate success. Network partners were required to indicate which community was acceptable during the process of locating communities with sufficient potential, making the social capital fluid (Portes & Landolys, 2000). Network analysis revealed an increase in the quantity of associations. This was because there was a surge in activity around this time, necessitating the recruitment of new partners to ensure the availability of adequate network assets to handle the increased workload. The network had to adjust the participation standards as the number of tasks increased. There was a dynamic level of trust amongst the members of the network. Nonetheless, new community standards emerged at this time as a result of the villagers' need to independently run the hydroelectric plant. Due to the cohesiveness of the network, confidence in each other was maintained. It would be possible to finish building the hydropower plant and begin providing the area with electricity. As a result, it is safe to say that the CSR initiative helped advance social capital through the building of networks, norms, and trust. The network was able to distribute energy to the neighborhood as planned because of the social capital that had developed.

Developed in the West, Putnam's (2011) theory of social capital posits that higher levels of trust, collaboration, and norms amongst members of different groups are indicative of greater productivity and success in the workplace. Networks, norms, and trust, the three components of social capital, were all observed in the case study when comparing the theory to the Thai setting. However, trust was the most important characteristic that might diminish social capital because of its impact on network robustness. Work efficiency and effectiveness might be achieved if network partners were powerful and

strictly adhered with the participation criteria until trust was created. This study's findings provide credence to and provide evidence for Putnam's social capital theory. Putnam's social capital assumption may be applied to occurrences in both the Western and Thai contexts.

However, the structural connection between the three components and the development of social capital are not well explained in Putnam's (2011) theory. The case study discovered that the networks were the starting point for the development of a social capital structure. After that point, trust and established standards might be built. The three parts would then work together and complement one another, improving performance. Trust is difficult to establish since it is fluid and requires evidence to support. Conflicts between network partners have the potential to disrupt both the network's individual parts and the ties between them. There may be instances when partners have to abandon the system.

Bolino, Turnley, and Bloodgood's idea of social capital places an emphasis on the resources available within social networks, and defines social capital as something that is both inherent to and amplified by those networks. Individuals, groups, and even entire racial or religious communities can all form part of a larger social network (Bolino, Turnley, & Bloodgood, 2002). Bourdieu believed that people may get both material and immaterial benefits from their social interactions and relationships with others (Bourdieu, 1986). When putting these ideas next to the results of this study, it becomes clear that the network partners have the means to build the hydropower plant. The primary group that had the idea for the project also had the resources to make it happen. The neighborhood was equipped with work force, local expertise, and communal wisdom. The other members of the network were experts in community building, coordination, and facilitation. In order to finish building the hydropower plant, the resources were seen as essential and could be traded between network participants. Therefore, the results of this study are consistent and may be utilized to back up the social capital assumptions of Bourdieu and Bolino, Turnley and Bloodgood, which center on network resources. The research also revealed that the network partners in the hydropower plant development project have access to the accumulated economic capital and human capital. Social capital, as proposed by Bolino, Turnley, and Bloodgood, consists of in-network resources, therefore this makes sense. Capital in the form of money and people are examples of social capital. Bourdieu, on the other hand, clearly distinguished between several types of capital, such as social capital, economic capital, which refers to things like money, property, and assets having monetary worth, and cultural capital, which refers to ways of life and habits learned via socialization.

In conclusion, the findings from the case study in the Thai context are consistent with and lend support to the social capital theories proposed by western scholars, such as the social capital concept in the structural relationship perspective of Putnam and the social capital theory in the network resources perspective of Bolino, Turnley, and others. According to the research conducted on the topic of CSR's effect on the formation of social capital, networks come first, then norms, and finally trust. After then, the three parts will interact and integrate with one another, improving productivity.

Consistent with the social networks theory, which states that the strength of the relationship depends on the time, trust, and cooperative exchanges between the groups in the social networks (Miles, 2012, p. 298), the aforementioned findings were confirmed. The people in the case study interacted with one another. The residents of Baan ta dan were able to pull through the building of their homes because to their shared history of success, mutual trust, and willingness to work together. After cooperating for a long time, trust had grown, leading to a more solid friendship. Therefore, factors such as time, trust, and exchange can affect the robustness of a network connection. The findings of the current study lend credence to this theory.

Furthermore, it was discovered that the roles of the case study's network partners impacted the nature of their connections with one another. The network connection formed as a result of their cooperative

efforts. According to the social network assumption, which predicts that people's connections to one another would either strengthen or weaken over time, this behavior makes sense. The results showed that not all partners in a network were in it for the long haul. Partners in the network, such as the community, the CSR-implementing organization, and the intermediate organization, maintained this kind of relationship since they were all part of the network from the start. It was discovered that other network partners that shared a similar purpose did not wish to further their ties to the group.

Recommendations

Policy Recommendation

Corporate strategy polls reveal that the vast majority of businesses, especially those in the business and energy sectors, have a CSR policy in place at the present time. Community service is not a specified criterion in their CSR policy, which instead prioritizes stakeholders and society at large. Preliminary research showed that while many more communities had adequate community strength and water resources, only a small number of organizations were actually implementing CSR activities through hydropower plant construction in underserved communities. The construction of hydroelectric plants may be slowed for a number of reasons, including a lack of information about potential sites and communities, the prioritization of CSR activities, limited CSR resources, and a scarcity of experienced and trained staff.

Operational Recommendation

Establishing a liaison between the locals, the main organization, and the rest of the network players is crucial throughout the construction of a hydroelectric plant. The intermediate group also has the important role of settling disagreements that may emerge as a result of working with people who have different perspectives. A nonprofit that acts as a go-between in the development of a hydropower project is preferable. It has to be a trustworthy business with competent employees that can interact easily with the communities they serve. Institutions of higher learning or community development foundations can be used as intermediaries. If they've already interacted with the people they're trying to reach, they'll have a leg up on the process of establishing trust and forming networks among them.

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