

Corporate Social Responsibility: A Perspective

Dr. Nistha Sharma¹ And Dr. Neelakshi Kaushik²

¹Assistant Professor, Dept. of Commerce, C.T. Girls P.G. College
(Affiliated to Kumaun University, Nainital), Kashipur, Uttarakhand.

e-mail: dr.nisthasharma14@gmail.com

²PGT Commerce, Sai Public School (CBSE Affiliated), Kashipur, Uttarakhand.

e-mail: nk88.27@gmail.com

ABSTRACT

As Corporate Social Responsibility (CSR) continues to mature, one of the paradigms shifts we've seen in recent years is a move towards "values". CSR motivates companies to be ethically right by contributing socially, economically and environmentally. In 2014, government made mandatory for companies to spend 2 per cent of their three-year average annual net profit on CSR activities in each financial year, starting from Financial Year 2015. The norms are applicable to the companies with at least Rs 5 crore net profit or Rs 1,000 crore turnover or Rs 500 crore net worth. As an amendment to The Companies Act, 2013, businesses can invest their profits in areas such as education, poverty, gender equality, and hunger.

Tata Group, Ultratech Cement, Mahindra and Mahindra and ITC Group etc are big Indian giants, who have involved in social works like education, welfare, plantation and environment etc. A recent study from Oxford University found that more than 80% of investors now consider 'ESG' – environmental, social and governance – information when making investment decisions. A research done by development sector platforms CSRBOX and NGOBOX, total CSR spend may cross Rs 50,000 Crore by March, 2019. This paper gives the insights about the concept of CSR in Udham Singh Nagar District and perspective of the consumers.

Keywords: CSR, CSR Laws, CSR practices, Companies Act, 2013.

1. INTRODUCTION

In the business world, the financial bottom-line and shareholder return on investment have long been the main drivers for companies in measuring their success. During the 1950s and 1960s, the concept of **Corporate Social Responsibility** and corporate citizenship emerged as an alternative priority for organisations to consider.



Today, the society as a whole and media increasingly request companies to consider social and environmental problems while doing business activities. CSR has become one of the catchphrases of new millennium across the world and the corporate as well as government must take care of it. Today, Government has also come as an initiative to control those business activities which makes a harmful effect on the society. The government suggested time to time to the business units that the corporate should enact a framework related to CSR i.e. its areas, investment, activities etc. and include them in the vision, mission and strategic planning. CSR typically includes issues related to business ethics, community engagement, global warming, water management, manage the use of natural resources, human rights etc. So, in order to get sustainable development and to survive in this competitive world, the organizations need to show a close and good relationship with society.

A large chunk of this is towards education and skills development projects, followed by healthcare and sanitation initiatives, both of which are top priorities for the central government as well.

- CSR compliance in-line with the prescribed CSR/year is going to increase and would reach in the range of 97-99% by FY 2019-20.
- Education is the most preferred intervention area for companies, specially companies with medium CSR budget, and this is expected to remain the most preferred theme for years to come.
- CSR compliance level is set to increase, and in-depth (detailed) disclosures in the annual reports will be a common practice.
- The average ticket-size of the CSR projects has shown downwards movement from 2014-15 to 2016-17, but gradually, this will reverse.
- If we look at the overall CSR ecosystem in India, the total CSR fund investment by companies in India would cross INR 50,000 Cr. by 31st March 2019, since the applicability of the mandatory CSR.

Benefits of CSR

Benefits to the Company-

1. Improved financial performance
2. Lower operating costs
3. Product safety and decreased liability
4. Workforce diversity

5. Access to capital
6. Reduced regulatory oversight
7. More ability to attract and retain employees
8. Greater productivity and quality
9. Increased sales and customer loyalty
10. Enhanced brand image and reputation

Benefits to the Community and the General Public-

1. Corporate involvement in community education, employment and hunger etc.
2. Product Safety and quality
3. Charitable contributions
4. Employee volunteer programmes

Environmental Benefits-

1. Greater material recyclability
2. Greater use of renewable resources
3. Better product durability and functionality
4. Integration of environmental management tools into business plans.

REVIEW OF LITERATURE

Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that company has taken a lot of initiatives in order to serve the society.

The economic Times (2012), news highlighted the views of former president Dr. APJ Abdul Kalam in a CSR award function organized by industry body Assocham. Kalam said that companies should devote some part of its goal to corporate services. It should make mandatory for all the companies to spend a percentage of its profit on corporate social responsibility. Kalam also discussed about the proposed bill on corporate spending on CSR. They assumed greater importance of CSR in building the lives of the country's citizens.

Bhattacharyya & Chaturvedi (2012), article entitled "CSR looks set to emerge as an independent stream with measurable output" on India CSR site, stated about the proposed bill of CSR that how the bill will affect the company's policies. The researchers presented their views and said that due to this bill, company's activities will change a lot the companies who has not engaged in CSR activities till now, will start investing on society. Further, who has already engaged in these areas will get a strong foundation or bond with the society.

OBJECTIVES OF THE STUDY

- To throw the light on the concept of CSR.
- To study the people's perception towards CSR concept and practices in the area of study.
- To know the level of awareness about CSR practices among the respondents.

RESEARCH METHODOLOGY

Primary data is collected through questionnaires. A well-structured questionnaire was framed to know attitude & perception of the people towards the CSR practices in Udham Singh Nagar District (Uttarakhand).

Secondary sources are as follows-

- Annual reports of selected companies.
- Sustainability reports of companies.
- CSR Reports of companies.
- Official websites of companies.
- Other published material from NGOs etc.

Sample design: The persons who know about CSR are the respondents of the study. A convenient sampling technique was used to select the respondents. The sample consists of 100 respondents.

Research tool: Simple average and percentage are used to evaluate the CSR items. Chi-square test and Likert's scale was also incorporated to analyse the data. SPSS software and MS-Excel package was used for testing of the primary data.

CSR in India-

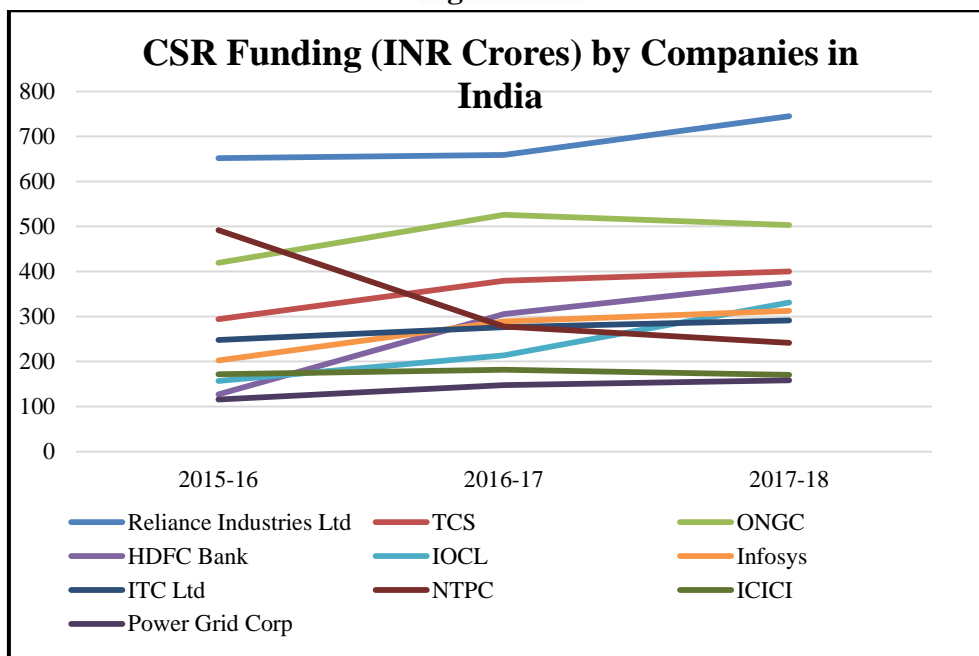
Table no. 1
CSR Funding

S/N	Company/Year	2015-16	2016-17	2017-18
1	Reliance Industries Ltd	651.6	659.2	745.04
2	TCS	294	379.71	400
3	ONGC	419.06	525.9	503.42
4	HDFC Bank	127.28	305.42	374.54
5	IOCL	156.68	213.99	331.05
6	Infosys	202.3	289.44	312.6
7	ITC Ltd	247.5	275.96	290.98

8	NTPC	491.8	277.81	241.54
9	ICICI	172	182	170.3
10	Power Grid Corp	115.78	147.27	157.98

Source: CSRBox

Figure no. 1



Source: Based on Table no. 1

Table no. 1 and Figure no. 1 enunciates the CSR funding of top Indian giants and their respective funds for the period from FY 2015-16 to FY 2017-18. Reliance Industries Ltd. Has the maximum CSR funding for all three financial years as compared to other Indian companies like ONGC, Infosys, NTPC etc.

DATA ANALYSIS

Table No. 2

Table showing demographics of the respondents

1. Gender of the Respondents		
Gender	No. of respondent	%
Male	55	55
Female	45	45
Total	100	100
1. Age Group of the respondents		
Age group	No. of respondent	%
18-24	40	40
25-35	46	46
36-45	12	12

46-60	2	2
Above 60	0	0
Total	100	100
3. Occupation of the Respondents		
Occupation	No. of respondent	%
Private company	48	48
Student	10	10
Business	30	30
Govt. sector	12	12
Total	100	100
4. Level of Education of the Respondents		
Education	No. of respondent	%
Under-graduate	28	28
Post-graduate	62	62
Others	10	10
Total	100	100

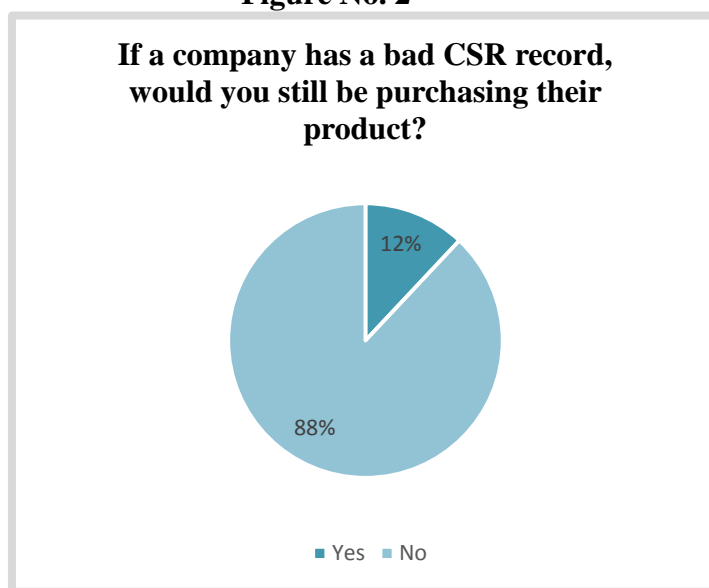
Source: Primary Data

Respondents were asked about the concept of CSR. Whooping, 58% of total respondents weren't aware of CSR concept and related practices. 12% of the total respondents said that have heard of CSR but do not know the concept well. Only 25% were aware of CSR practices in India, whereas, only 5 percent were well versed with the CSR concept.

The respondents were asked that how important is for the companies if they operate socially too? Surprisingly all respondents felt that it is very important for the companies to be social wellbeing also.

95 % of survey participants agreed that it is important for companies to have good social and environmental policies.

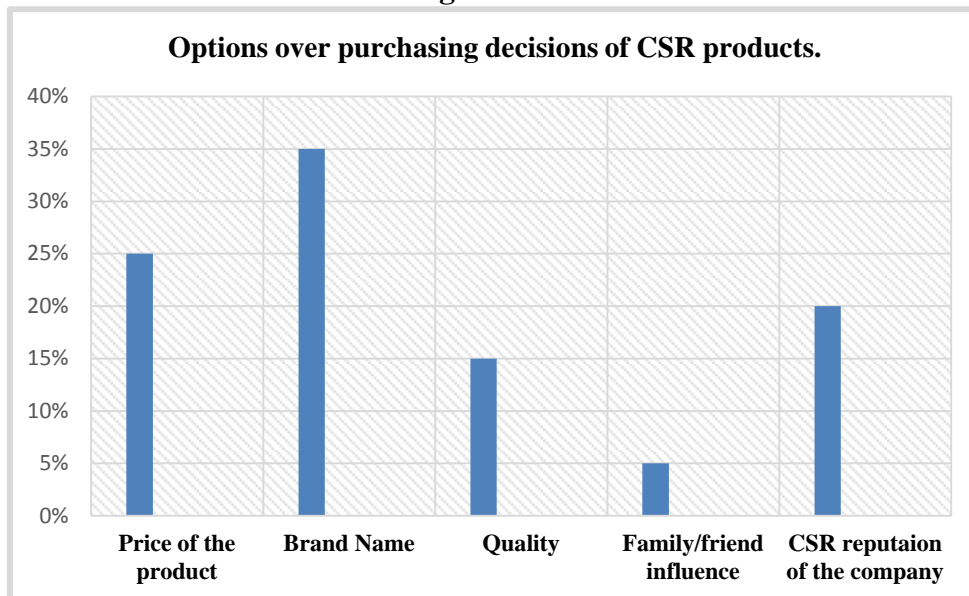
Figure No. 2



Source: Primary Data

Figure no. 2 shows that 88 percent of the respondents said that they will not buy the products, if the company holds bad CSR record.

Figure No. 3



Source: Primary Data

Figure no 3 states the various options available against the CSR reputation of the company for purchasing decisions. About 35 percent go for the brand of the product while making the purchase decision. 25 percent considers the price of the product. And 20 percent think about the CSR reputation of the company while making purchase.

Chi-Square testing-

1.Association between the Educational qualification of the Respondents and Awareness about CSR activities:

Ho: There is no association between the level of Education of the Respondents and awareness of CSR activities.

H1: There is an association between the level of Education of the Respondents and awareness of CSR activities.

Table No. 3

Results of the Test			
Level of Education	Aware of CSR activities	Not aware of CSR activities	Row Totals
Under Graduate	15	25	40
Post Graduate	15	20	35
Other	12	13	25

<i>Column Totals</i>	42	58	100 (Grand Total)
----------------------	----	----	----------------------

Source: Primary Data

Table no. 3 enunciates the hypotheses testing. The chi-square statistic is 0.7125. The p-value is .700288, and hence the result is not significant at 5% level of significance. Since, P value is greater than 0.05, therefore, null hypotheses is accepted. Hence there is no relationship between the level of educational qualification and awareness about CSR activities.

2.Association between the Occupation of the Respondents and willingness to buy CSR products:

Ho: There is no association between the Occupation of the Respondents and willingness to buy CSR products.

H1: There is an association between the Occupation of the Respondents and willingness to buy CSR products.

Table no. 4

Results			
Occupation	Willingness to pay	No willingness to pay	<i>Row Totals</i>
Private company	40	8	48
Student	8	2	10
Business	28	2	30
Govt. sector	9	3	12
<i>Column Totals</i>	85	15	100 (Grand Total)

Source: Primary Data

Table no. 4 depicts the test results for hypotheses 2. The chi-square statistic is 2.8758. The p-value is .411171. The result is *not* significant at $p < .05$. Since P value is greater than 0.05, therefore, there is no relationship between the occupation of the respondents and the willingness to pay for CSR products.

Table No. 5
The level of Impact of CSR practices

Statement		SA	A	N	D	SD	Total	Mean	Ranks
1. Nature conservation activities under CSR	No. Of respondent	64	10	7	12	7	100	4.12	3
	Percentage	64%	10%	7%	12%	7%	100%		
2. Poverty Alleviation CSR activities	No. Of respondent	72	9	4	10	5	100	4.33	2
	Percentage	72%	9%	4%	10%	5%	100%		

3. Education promotion activities by CSR	No. Of respondent	73	8	6	9	4	100	4.37	1
	Percentage	73%	8%	6%	9%	4%	100%		
4. Women empowerment	No. Of respondent	56	8	15	13	8	100	3.91	5
	Percentage	56%	8%	15%	13%	8%	100%		
5. Health and hunger programmes by CSR	No. Of respondent	58	12	15	10	5	100	4.08	4
	Percentage	58%	12%	15%	10%	5%	100%		

Source: Primary Data

The above Table no.5 shows the level of impact of CSR activities on the development through Likert-type scale method. People were given choice of five levels (strongly agree, agree, neutral, disagree and strongly disagree) for each statement mentioned. Then mean was calculated for all statements. As we can see that statement third gains the highest mean, therefore it can be considered that “education promotion activities” is important among other statements and therefore more such activities should be taken by CSR funding companies. Statement “Poverty Alleviation CSR activities” gained second rank with the computed mean as 4.33 and in people’s opinion it has helped in removing the poverty and more such activities should be taken under CSR by the companies.

FINDINGS

Following were the major findings of this research study-

- 55 percent of the total respondents were male.
- Whooping 58 percent of the respondents were not aware of the CSR concept and practices in the research area. Only 5 percent were well versed with the CSR concept.
- 95 % of survey participants agreed that it is important for companies to have good social and environmental policies.
- Only 20 percent consider the “CSR reputation” of the company while making purchase decision over “brand of the company” which is the highest 35 %.
- There is no association between the education level of the respondents and awareness about CSR practices.
- There is no relationship between the occupation and willingness to buy the CSR product.

- “Education promotion activities” gains the highest mean in Likert’s scale, followed by Poverty Alleviation CSR activities and nature conservation activities in CSR.

CONCLUSION

This study has reinforced the idea that corporate giants have an important role to establish the closer relationship between corporates and the society. CSR is the best thing that was implemented into businesses both large and small, in this was the environment and society can be treated the way it supposed to, with respect. CSR is something that everyone can benefit from, when businesses adopt its policy. But still people are not aware of the concept of CSR and its practices. In conclusion, this paper has shown that corporate social responsibility is a vital tool for any business corporations. It has been shown that there are many different areas in which a company may choose to focus its CSR. The focus area in corporate social responsibility is with regard to the educational programmes, environment conservation. Other areas that should be considered in the development of CSR programs are hunger, health, nutrition, women empowerment and employment etc.

It can be concluded that CSR and the maintenance of high ethical standards is not an option but an obligation for all business.

REFERENCES

1. Corporate Social Responsibility and Competitiveness (Essential of the Corporate India and its Sustainability) Patron: Rusen Kumar, Editor: Saurabh Mittal, Publisher: Allied Publisher Private Ltd., New Delhi.
2. Corporate Social Responsibility in India- A Study of Management Attitudes, Author: C.Gopala Krishna, Publisher: K.M. Rai Mittal, Mittal Publications, New Delhi. Bansal, Harbajan., parida, vinu & Pankaj kumar (2012). “Emerging trends of Corporate Social Responsibility in India”. KAIM Journal of Management. Vol.4. No. 1-2.
3. Mohanty, Bibhu Prasad. “Sustainable Development Vis-a-Vis Actual Corporate Social Responsibility”. Retrieved 2nd July, 2019 at <http://www.indiacsr.in>.
4. Chaturvedi, Anumeha. (2013). “Companies give employees a nudge for corporate social responsibility”. The Economic Times (11 Jan.2013)
5. Arvind Jain (2012) “Corporate Social Responsibility: An Explorative Review”, Journal of Accounting and Finance, Vol.26, No.1, October 2011- March 2012, pp. 13-19.
6. Dr. K. Krishna Kumar and K. Radha (2012) “A view on corporate social responsibilities in India”, The Economic Challenger, No.14, Issue 55, April-June, pp. 72-75.

7. Anupam Sharma and Ravi Kiran (2012) “Corporate Social Responsibility Initiatives of Major Companies of India with focus on health, education and environment”, African Journal of Basic & Applied Sciences 4(3): pp. 95-105.
8. <http://ebook.mca.gov.in/default.aspx>
9. <https://csrbox.org/>
10. <http://ngobox.org/nb/index.php>
11. <https://www.ril.com/>