

A Study on Perceptions on Managers on corporate social responsibility (CSR)

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ABSTRACT-- “Creating a strong business and building a better world are not conflicting goals; they are both essential ingredients for long term- success.” – William Clay Corporate and markets are not created by God or nature, but by the business man. Intention of business must travel beyond the walls of the rigid corporate structure flowing into the lives of the needy and the anxious. In fact, it must contribute to the growth of the society since a business enterprise is a growth stimulator of society. “The purpose of business is to serve the society,” so said one of the successful business legends of India, J R D Tata. Business corporations are perhaps the most influential organizations in society and have long been recognized as important contributors to the common good. Society, grants corporations unique privileges in order to harness their great capacities to serve its needs. Today, companies realize their responsibility to serve the stakeholder and society to whom they owe their existence. Millions of people lack in basic amenities and dwell in poverty: a situation that cannot be resolved by the government alone, which is the only hope of the people. But one single hand can't make a sound. That is an adequate reason, for concerted action on the part of powerful corporations, those who contribute to make the difference in society. For example, in the 1940's, the founding father of Adithya Birla group of companies Shri G.D. Birla espoused the 'Trusteeship' concept of management. With that motive, they started to invest part of their profits beyond business, for the larger good of society.

Keywords—Manager, corporate, social.

I. INTRODUCTION

Corporate Social Responsibility (CSR) is not a new concept in India; it was practiced as an essential duty of individual or powerful people in society as “Dharma”, a philanthropic action. Normally philanthropy and responsibility are the basis for a strong establishment. These two critical thoughts are bipolar in nature. At one end, people interpret it as compliance with law; at the other end, it is philanthropic in nature. CSR is known from ancient time as a social duty or charity, which has through different ages, is changed its nature in various broader aspects and is now generally known as corporate social responsibility. The corporate social responsibility's mission is donating some amount of their earnings for development of society. CSR was more widely accepted as a community based development approach for a long-time. For the past two decades India was adversely affected by issues relating to rising population, poverty, unhealthy, unsafe practices, illiteracy, unemployment, global warming and environment pollution. These had almost an irreversible impact on the Indian economic scenario.

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The definition of CSR is reflected in the three words contained, “Corporate, Social, and Responsibility.” Broadly speaking, CSR covers the responsibility, of the business firm towards the societies they operate within. In a nutshell, CSR is a creation of value among the stakeholders. The term “stakeholder” means those on the firm’s activities directly and indirectly has an impact, were used to delineate as corporate owners beyond shareholders. “The CSR firm should strive to make a profit, obey the law, be ethical and be good corporate citizen”, Carroll [1991]. But now, CSR is the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company’s policies and actions.

II. REVIEW OF LITERATURE

Jean-Pascal Gond, Jeremy Moon (2011) explored other concepts of CSR. In this study, the researcher introduced escalation to CSR concept, the researcher started with an organisation philanthropy concept and ended with political CSR, which is new. In the first section researcher explained political contests surrounding CSR. The researcher explained various definitions with illustration from different period of time on CSR. Finally, the researcher reconceptualised CSR in the global context by illustrating the other definition and potential of reconstructing a CSR theory in a globalised view. The new concept was explored the life cycle of an essential contested concept which as four steps genealogical, strategic, comparative, and critical perspective. Finally, the researcher’s view is that, still CSR is an ongoing process and it will keep on changing when time and need changes.

Shafiqur Rahman (2011) explored the dimensions of CSR throughout its history. This study makes a context analysis to get a conclusion and identify different dimensions. Primarily, the study worked on CSR definitions from the 50s up to the 21st century that has given a perspective of corporate social responsibility. Secondly, dimensions of CSR were identified through a contextual analysis of those definitions. The study identified ten dimensions, namely obligation to the society, stakeholder involvement, improving the quality of life, economic development, ethical business practice, law abiding, voluntariness, human rights, the protection of the environment, transparency and accountability.

Francois Maon, Adam Lindgreen, Valerie Swan (2010) explored multi- dimensional, dynamic perspective. The multi dimension also integrates moral, cultural and strategic aspects of the CSR development process. The study also connected with its organizational implications based on stakeholder- oriented conceptualization of corporate social responsibility. In this study, the author links existing stage models of CSR development with stakeholder culture and social responsiveness continuums. The study provided a consultative model which highlighted a seven –stages such as dismissing, self-protecting, compliance seeking, capability- seeking, caring, strategizing and transforming stage development process towards CSR, articulated around three cultural phases. This consolidated model integrates organizational values and culture together with management processes and operation.

Gopal K Kanji, Parvesh K Chopra (2010) introduced a new measure based on a holistic and system modeling approach to conceptualize and measure the phenomenon of CSR. It is a validated model to measure CSR by using a latent variable structural equation within the certain boundaries of the organizational strategic planning systems. The model divides the corporate social responsibility index into social accountability and investment index, environment protection and sustainability index, corporate governance and economic responsibility index, ethics and human resource index. The instrument is called Kanji-Chopra corporate social responsibility model (KCCSRM). It provides a measurement index of corporate responsibility at the international level, country level, and community level. This CSR index model indicated the extent to which a particular corporation has a social responsibility and in which areas it leads such responsibility.

Shafiqur Rahman (2009) conducted a study on “Evaluation of CSR definitions and relevant literature review”, which examined different type of definition on CSR from 1950 to 21st century. The author examined opinions provided by many authors through different periods of time on CSR. At the final point the author found out ten major dimensions on CSR as an obligation to the society, stakeholder involvement, improving the quality of life, economic development, ethical business practice, law abiding, voluntariness, human rights, protection of the environment, transparency and accountability. All the CSR definitions in last six decades, more or less covered one or more of the above ten dimensions, which create an opportunity in the CSR literature to get all the dimensions of CSR at a glance.

III. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The demographic profile of the respondents had been understood by several variables such as Gender, Age, Level of Education, Monthly Income and their Work Experience, Annual Turnover, Nature of Business and Nature of Ownership in Chennai. Based on the questionnaire respondents’ personal profile and occupational details of managers were analyzed and results are presented below.

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Particulars	Frequency	Percentage
Gender		
Male	178	82.8
Female	37	17.2
Age		
Below 30	39	18.1
30yrs-35yrs	51	23.7
35yrs-40yrs	45	20.9
40yrs-45yrs	11	5.1
45 Above	69	32.1
Educational Qualification		
Under Graduate	65	30.2

Post Graduate	73	34
Professional	77	35.8
Work Experience		
Below 10years	64	29.8
10-15years	59	27.4
15-20years	15	7
Above 20years	77	35.8
Monthly Income in Rupees		
Below 50,000	78	36.3
50000-1,00,000	67	31.2
1,00,000-150,000	31	14.4
1,50,000-2,00,000	11	5.1
2,00,000-2,50,000	7	3.3
Above 2,50,000	21	9.8
Annual Turnover of Corporate (Crores)		
100 Cr	29	13.5
100-200 Cr	50	23.3
200-300 Cr	20	9.3
300-400 Cr	22	10.2
400-500 Cr	5	2.3
Above 500 Cr	89	41.4
Nature Of Business		
Manufacture	121	56.3
IT and Services	65	30.2
Financial Institution	29	13.5
Nature Of Ownership		
MNC	71	33
Private Companies	77	35.8
Public Companies	67	31.2

*Source: Primary Data

The gender of the respondents was taken for the analysis and being categorized into male and female. The above table shows that 82.8% respondents of this study belonged to male and 17.2% respondents of this study belonged to a female. It can be concluded that maximum number of managers were male.

The age group of the respondents was taken for the analysis and being categorized into below 30 years, 30 - 35 years, 35 - 40 years, 40 - 45 years, and above 45 years. The above table shows that 18.1% respondents were below 30years of age, 23.7% respondents belonged to 30-34 years of age, 20.9% respondents were falling in 35-40 years of age, 5.1% respondents belonged to 40-45 years of age, and 32.1% respondents belonged to the age level of above 45 years. It can be concluded that maximum number of managers were falling under the age group of above 45 years.

The educational qualification of the respondents was taken for the analysis and being categorized into under graduate, post graduate and professional. The above table shows that 30.2% of respondents were undergraduates, 34% of respondents were postgraduates and 35.8% of the respondents were professionally qualified. It can be concluded that maximum numbers of managers were professionally qualified.

The work experience of the respondents was taken for the analysis and being categorized into below 10 years, 10- 15 years, 15 – 20 years and above 20 years. The above table inferred that 29.8% of respondents were below the level of 10 years of experience, 27.4% of respondents' possess 10-15 years of experience, 7% of the respondents' possess 15-20 years of experience and 35.8% of the respondents' possess more than 20 years of experience. It can be concluded that maximum number of managers possess above 20 years of experience and expertise in their field.

The monthly income levels of the respondent were taken for the analysis and being categorized into below Rs. 50,000, Rs. 50,000-Rs.1,00,000, Rs.1,00,000-Rs. 150,000, Rs.1,50,000-Rs.2,00,000, Rs.2,00,000-Rs.2,50,000 and above Rs. 2,50,000. The above table shows that 36.3% of the respondents' monthly income level are below Rs. 50,000, 31.2% respondents were under the income level of Rs.50,000-Rs.1,00,000, 14.4% of the respondents were under the income level of Rs.1,00,000-Rs.1,50,000, 5.1% of the respondents fell below the income level of Rs.1,50,000-Rs.2,00,000. 3.3% of the respondents fell below the income level of Rs.2,00,000-Rs.2,50,000 and 9.8% of the respondents' income level are more than Rs.2, 50,000. It can be concluded that maximum numbers of managers were in below the income level of Rs. 50,000.

The annual turnover of selected companies was taken for the analysis and being categorized in Rs.100 cr. Rs.100 cr. – Rs.200 cr. Rs. 200 cr. - Rs. 300 cr., Rs.300 cr. - Rs.400 cr., Rs.400cr. – Rs.500 cr., above Rs.500 crores. The above table shows that 13.5% of the respondents were falling under the annual turnover Rs.100 crores, 23.3% respondents were under the turnover level of Rs. 100-Rs.200 crores, and 9.3% of the respondents were under the turnover level of Rs. 200-Rs.300 crores, 10.2% of the respondents were from the turnover level of Rs.300- Rs.400 crores, 2.3% of the respondents were from the turnover level of Rs.400- Rs.500 crores and 41.4% of the respondent's annual turnover level is more than Rs. 500 crores. It can be concluded that the maximum amount of corporate turnover was above Rs.500 crores.

The nature of business was taken for the analysis and being categorized in manufacture, IT and Services and financial institutions. The above table reveals that 56.3% of respondents were from manufacturing sector, 30.2% of respondents were from information technology and services sector and 13.5% of the respondents were from a financial institution. It can be concluded that maximum number of samples were drawn from the manufacturing sector.

The nature of ownership was taken for the analysis and being categorized in MNC, public and private companies. The above table reveals that 33% of respondents were from multinational corporations, 35.8% of respondents were from private companies and 31.2% of the respondents were from public companies. It can be observed that the majority of the respondents were from private companies.

IV. CORPORATE SOCIAL RESPONSIBILITY PRACTICES CONDUCTED BY COMPANIES

Overall activities of corporate social responsibility were taken for the analysis and being categorized into fifteen activities. The following table depicts the activities performed by various corporations.

TABLE 2: CORPORATE SOCIAL RESPONSIBILITY PRACTICES CONDUCTED BY COMPANIES

Sl.No	Statements	Yes	Percentage
1	Responding to consumer complaints	196	91.1%
2	Contribution to Medical aids and facility	193	89.7%
3	Environmental safety measure	191	88.4%
4	Ensuring product safety	188	87.4%
5	Contribution to eradication of poverty and hunger	186	86.5%
6	Contribution to educational institutions	177	82.3%
7	Solid Waste management	171	79.5%
8	Promotion of sustainable practices	170	79%
9	Provide contribution for game and sports	162	75.3%
10	Promotion of women – based micro enterprises	153	71.1%
11	Contributions to culture and literary works	144	66.7%
12	Contribution for public amenities (e.g. bus stop shades)	126	58.6%
13	Contribution to crime prevention	107	49.7%
14	Provision loan for low income housing	88	40.9%
15	Provide loans to small enterprise	75	34.8%

*Source: Primary Data

The above table shows that out of all the CSR activities, responding to consumer complaints was high and frequently performed [i.e., 91.1%] by almost all the corporations. Then 89.7% CSR activities, contribute towards to medical aids and facility, 88.4% of activities contribute towards environment safety measures, 87.4% of activities contribute towards product safety, 86.5% of activities contribute towards contribution to eradication of poverty and hunger, 82.3% of activities contribute towards educational institutions as scholarship, 79.5% of activities are contributed towards solid waste management, 75.3% of activities to provide contribution for games and sports, 71.1% of activities are contributed towards promotion of women – based micro enterprises, 66.7% of activities contributions towards culture and literary works, 58.6% of activities are contributed towards public amenities (e.g. Bus stop shades), 49.7% of activities are contributing towards crime prevention, 40.9% of activities are provision loan for low income housing, 34.8% of activities are providing loans to small enterprise. It can be concluded that the majority of the corporate focused on consumer response to complaints as a major activity of CSR.

V. DISTRIBUTION OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES BY NATURE OF BUSINESS

Overall activities of corporate social responsibility were taken for the analysis and being categorized into fifteen activities classified according to the nature of business of the corporation. The following table depicts the distribution.

TABLE 3: ACTIVITIES OF CORPORATE SOCIAL RESPONSIBILITY BASED ON NATURE OF BUSINESS

S. No	Statements	Manufacture	IT and Service	Financial Institution
1	Contribution to Medical aids and facility	107	58	28
2	Responding to consumer complaints	108	59	29
3	Contribution to eradication of poverty and hunger	109	52	28

4	Ensuring product safety	108	51	29
5	Promotion of women – based on micro enterprises	80	45	28
6	Provide contribution for games and sports	89	48	25
7	Contributions to culture and literary works	78	41	25
8	Promotion of sustainable practices	93	49	28
9	Contribution to educational institutions	106	50	21
10	Provision as loan for low income housing	36	28	24
11	Provide loans to small enterprises	22	25	28
12	Contribution for public amenities (e.g. Bus stop shades)	75	26	25
13	Contribution to crime prevention	49	34	24
14	Environmental safety measure	104	58	29
15	Solid Waste management	98	46	27

*Source: Primary Data

The above table shows that out of fifteen CSR activities maximum numbers of activities were conducted by manufacturing firms than IT and service and financial institutions. In one of the Indian survey, to understand the general public perception of the manufacturing sector regarding corporate, social, environmental and philanthropic activities eight out of ten consumers indicated that they have purchased a product or services from Auto-manufacturing sector specifically because it was produced in a responsible, ethical or environmentally friendly way (The Economic Times 2006). This may be reason for manufacturing sectors to be committed more in CSR activities.

VI. CONCLUSION

A healthy society requires three vital segments a public sector, a private sector and a social sector. The responsibility of the public sector is essential governance, that of the private sector is enterprise and the social sector is committed to social good. CSR is not supposed to be merely a statement of intent. There are no easy answers on what to do or how to do it. A company's interactions and interdependencies with society are many and complex. However, it is clear that approaching CSR as a feel-good or quick fix exercise runs the risk of missing huge opportunities for both the principles illustrated here offers leaders a way to generate the identify and drive mutual value creation.

But, it will demand a shift in mindset: the smart partnering view is that, CSR is about doing good business and creatively addressing significant issues that face business and society, not simply feeling good. Smart partnering, is not for the faint of heart. It requires greater focus, work and long-term commitment than do many standards CSR projects, philanthropic activities and propaganda campaigns, but the rewards are potentially much greater for both sides. India is the only country, which has CSR as mandatory. Still the governing body should ensure that, it's not just in writing as enshrined in the preamble of Ministry of Corporate Affairs, Indian corporations are required to spend 2% of their net profit in CSR activities. But in practice this 2% must have a positive bearing on major sectors of society.

In this context, few measures may be undertaken to ensure participation of corporate sector in social development such as incorporation of a section on company's social responsibility initiatives and its spending in different social developmental projects in its annual report, separate CSR department to be created in the organisation to look after CSR activities, periodic training programs to train personnel involved in CSR activities, periodic awareness camps to show company's concern for the stakeholder group, especially, the community and finally establishment of a proper linkage between CSR and financial performance of the company. Corporate social responsibility should not be coerced. It is a voluntary decision that the entrepreneurial leadership of every company must

make on its own. Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing corporate to do, it is because it is good for our business. - Niall Fitzgerald CEO, Unilever.

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