CHAPTER-V

ANALYSIS OF FIELD SURVEY DATA
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ANALYSIS OF FIELD SURVEY DATA

• ANALYSIS OF THE ANNUAL INCOME, PROFIT AFTER TAXES, DIVIDEND, EPS-EARNINGS PER SHARE & CAPITAL EMPLOYED OF SELECTED 20 NSE NIFTY INDEX ORGANISATIONS.

Statistical test model of regression analysis was applied on the organisations financial data by taking Corporate Social Responsibility expenses as Independent variable & Annual income, Annual profits after tax, Annual dividend, EPS-earning per share & Capital employed as Dependent variable. The standard expected F-value must be above "4" & T-value must be above "2" in order to qualify for its significance.

ABB Ltd: The statistical test revealed total significant results as per table no. 4.1. The annual income, annual profit after tax & annual dividend, EPS-earnings per share & Capital employed of the organisation revealed significance results as their f-values were above the expected standard value "4 " & the t-values were above the expected standard value "2".

Reliance Infrastructure Ltd: In case of reliance it is interesting to know that, the company has imposed greater faith in the benefits of CSR expenses & therefore it has increased it by 9.6 times in the case
of Staff & welfare expenses & 10 times in the case of Community Development & Environment Monitoring expenses.

The annual income (f-value being 55.146 & t-value being 7.426), annual profit after tax (f-value being 13.649 & t-value being 3.694), annual dividend (f-value being 58.589 & t-value being 7.654), EPS-earnings per share (f-value being 15 & t-value being 3.873) & Capital employed (f-value being 28.849 & t-value being 5.371). The test result revealed total significance results as per table no. 4.2.

**Steel Authority of India Ltd.** : In case of public sector organisation, Steel Authority of India, It has been observed that the during the period from the year 2001 to 2008, the Company had increased its spending on Staff & Workmen Welfare by 6.80 times, while, the spending on Travel concession has increased by 89.58 times, besides the spending on Charities & Donation registered the no spending in the years 2004; 2007 & 2008 lowest spending of Rs.010 lakhs in the year 2006 & highest spending of Rs. 101.6 lakhs in the year 2005.

The test results revealed significance as well as no-significance results as per table no.4.3. Profits after tax, Annual dividends, & EPS-earnings per share revealed Non-Significance results, as these dependent variables values were below the less than the standard expected F-value of above "4" & T-value above "2" in order to qualify
for its significance. Whereas, the other depended variable, viz., the annual income (f-value being 12.614 & t-value being 3.552) & Capital employed (f-value being 6.479 & t-value being 2.545), of the organisation revealed significance results.

**Siemens Ltd.** The test results revealed significance as well as no-significance results as per table no. 4.4. Annual dividends & EPS-earnings per share revealed Non-Significance results, as these dependent variables values were below the less than the standard expected F-value of above “4” & T-value above “2” in order to qualify for its significance. Whereas, the other depended variable, viz., the annual income (f-value being 4.106 & t-value being 2.026), Profits after tax (f-value being 5.376 & t-value being 2.319) & Capital employed (f-value being 4.127 & t-value being 2.031), of the organisation revealed significance results.

**Bharat Petroleum Corporation Ltd.** The test results revealed significance as well as no-significance results as per table no. 4.5. The annual profit after tax, annual dividend & EPS-earnings per share of the organisation revealed no-significance results as their F-values were below the expected standard value of “4 “ & the T-values were below the expected standard value of “2”. Whereas, Annual Income (f-value
being 14.137 & t-value being 3.76) & Capital employed (f-value being 7.089 & t-value being 2.662) revealed Significance results.

**National Aluminum Corporation Ltd.** The test revealed significance results as per table no.4.6, except in the case of EPS-Earnings per share, which was below the standard expected F-value of "4 and above" & T-value of "2 and above" in order to qualify for its significance. Whereas, the other dependent variables. Viz., Annual Income (f-value being 9.151 & t-value being 3.025), Profits after tax (f-value being 5.67 & t-value being 2.381), Annual dividend (f-value being 6.08 & t-value being 2.466), & Capital employed (f-value being 75.07 & t-value being 8.664) revealed Significance results.

**National Thermal Power Corporation:** The annual income (f-value being 22.642 & t-value being 4.758), annual profit after tax (f-value being 14.982 & t-value being 18.889), annual dividend (f-value being 15.163 & t-value being 3.894), EPS-earnings per share (f-value being 9.192 & t-value being 3.032) & Capital employed (f-value being 22.335 & t-value being 4.726). The test result revealed total significance results as per table no.4.7.
Ranbaxy Ltd. The test results revealed significance as well as non-significance results as per table no.4.8. Annual dividend & EPS-earnings per share revealed Non-Significance results, as these dependent variables values were below the less than the standard expected F-value of above "4" & T-value above "2" in order to qualify for its significance. Whereas, the other depended variable, viz., the annual income (f-value being 19.414 & t-value being 4.406), annual profit after tax (f-value being 6.92 & t-value being 2.631), & capital employed (f-value being 4.821 & t-value being 2.196), of the organisation revealed significance results.

Mahindra &Mahindra Ltd: The annual income (f-value being 105.77 & t-value being 10.284), annual profit after tax (f-value being 48.319 & t-value being 6.951), annual dividend (f-value being 153.498 & t-value being 12.389), EPS-earnings per share (f-value being 11.099 & t-value being 0.806) & Capital employed (f-value being 78.744 & t-value being 8.874). The test result revealed almost total significance results as per table no.4.9.

Reliance Industries Ltd: The annual income (f-value being 52.106 & t-value being 7.218), annual profit after tax (f-value being 50.292 & t-value being 7.092), annual dividend (f-value being 11.871 & t-value
being 3.445), EPS-earnings per share (f-value being 45.261 & t-value being 6.728) & Capital employed (f-value being 11.094 & t-value being 3.331). The test result revealed total significance results as per table no.4.10.

**TATA Motors Ltd.**: The test results revealed significance as well as no-significance results as per table no.4.11. Only Annual Income of the organisation revealed no-significance results as the F-value was below the expected standard value "4" & the T-value was below the expected standard value "2". Whereas, all the other remaining dependent variables reveled significant results. The Profits after tax (f-value being 8.01 & t-value being 2.83), Annual dividends (f-value being 31.459 & t-value being 5.609) & EPS-earnings per share (f-value being 58.225 & t-value being 7.631) & the Capital employed (f-value being 5.805 & t-value being 2.409), revealed Significance results.

**DLF Ltd**: The annual income (f-value being 345.655 & t-value being 18.592), annual profit after tax (f-value being 269.448 & t-value being 16.415), annual dividend (f-value being 39.254 & t-value being 6.265), EPS-earnings per share (f-value being 28 & t-value being -1.526) & Capital employed (f-value being 126.025 & t-value being
11.226). The test result revealed almost total significance results as per table no. 4.12.

**Hero Honda Motors Ltd:** The test results revealed significance as well as no-significance results as per table no. 4.13. Only the Capital employed of the organisation revealed no-significance results as the F-value was below the expected standard value “4” & the T-value was below the expected standard value “2”. Whereas, all the other remaining dependent variables revealed significant results. The annual income (f-value being 4.181 & t-value being 2.045), Profits after tax (f-value being 5.696 & t-value being 2.387), Annual dividends (f-value being 5.135 & t-value being 2.266) & EPS-earnings per share (f-value being 5.697 & t-value being 2.387) revealed Significance results.

**Maruti Suzuki Ltd:** The test results revealed significance as well as no-significance results as per table no. 4.14. EPS-earnings per share & Capital employed revealed Non-Significance results, as these dependent variables values were below the less than the standard expected F-value of above “4” & T-value above “2” in order to qualify for its significance. Whereas, the other depended variable, viz., the annual income (f-value being 16.023 & t-value being 4.003), annual profit after tax (f-value being 10.682 & t-value being 3.268), & annual
dividend (f-value being 18.093 & t-value being 4.254), of the organisation revealed significance results.

**Bharat Heavy Electricals Ltd:** The annual income (f-value being 11.083 & t-value being 3.329), annual profit after tax (f-value being 13.374 & t-value being 3.659), annual dividend (f-value being 12.968 & t-value being 3.601), EPS-earnings per share (f-value being 35.971 & t-value being 5.998) & Capital employed (f-value being 7.97 & t-value being 2.823). The test result revealed total significance results as per table no.4.15.

**Tata Consultancy Ltd:** The test results revealed significance as well as no-significance results as per table no. 4.16. Only EPS-Earnings per share of the organisation revealed no-significance results as the F-value was below the expected standard value “4” & the T-value was below the expected standard value “2”. Whereas, all the other remaining dependent variables revealed significant results. The annual Income (f-value being 49.639 & t-value being 7.046), the Profits after tax (f-value being 67.514 & t-value being 8.217), Annual dividends (f-value being 71.06 & t-value being 8.43) & the Capital employed (f-value being 67.068 & t-value being 8.19), revealed Significance results.
Oil & Natural Gas Corporation Ltd: The test results revealed no-significance results as per table no. 4.17. However, it is found that, the Income of the company has increased from Rs. 2521597.7 Lakhs in the year 2001 to Rs. 6154260 Lakhs in the year 2008, which is an increase of approximately 2.44 times, similarly, the Profits after Tax has also increased from Rs. 522877.8 lakhs in the year 2001 to Rs. 1670160 lakhs in the year 2008, which is also an increase of approximately 3.19 times.

Gas Authority of India Ltd: The annual income (f-value being 33.528 & t-value being 5.79), annual profit after tax (f-value being 14.111 & t-value being 3.757), annual dividend (f-value being 6.883 & t-value being 2.264), EPS-earnings per share (f-value being 14.097 & t-value being 3.755) & Capital employed (f-value being 28.812 & t-value being 5.368). The test result revealed total significance results as per table no.4.18.

SUN Pharmaceutical Ltd: The test results revealed no-significance results as per table no. 4.19. However, it found that, the Income of the company has increased from Rs. 105575.79 Lakhs in the year 2001 to Rs. 327667 Lakhs in the year 2008, which is an increase of
approximately 3.10 times, similarly, the Profits after Tax has also increased from Rs. 6532.6 lakhs in the year 2001 to Rs. 101404 lakhs in the year 2008, which is also an increase of approximately 15.52 times.

**WIPRO:** The test results revealed significance as well as no-significance results as per table no.4.20. The annual profit after tax, annual dividend & EPS-earnings per share of the organisation revealed no-significance results as their F-values were below the expected standard value of “4 “ & the T-values were below the expected standard value of “2”. Whereas, Annual Income (f-value being 20.61 & t-value being 4.54) & Capital employed (f-value being 28.493 & t-value being 5.338) revealed Significance results.
ANALYSIS OF THE QUESTIONNAIRE

NOW, From the field survey Questionnaire the qualitative analysis also reveals that, Companies are facing increasing pressure to both maintain profitability and behave in socially responsible ways, yet researchers have provided little information to the managers on how corporate social responsibility impacts profitability. This paper reports the findings from in-depth interviews of Managers to determine their views concerning the social responsibilities of companies. A typology of Managers whose behaviour ranges from unresponsive to highly responsive towards corporate social responsibility was developed from the analysis.

"A minimum amount of spending from the profits should be budgeted by an organization for a more effective CSR." corporate answered this question with 60% in favor and 40% against.

In another question "Health services, education, income generation schemes & economic developments of the local region should be considered as a key thrust area in CSR." 96% respondents agreed for the need these areas.
Yet another question, "CSR is considered to be a donation / contribution to the society or a management tool for better profitability." 63% respondents surprisingly favored that CSR is more of a donation. Only 37% considered a management tool that can ultimately improve profitability

**BUSINESS ISSUES & ETHICS**

As recently as a decade ago, many companies viewed business ethics only in terms of administrative compliance with legal standards and adherence to internal rules and regulations. Today the situation is different. Attention to business ethics is on the rise across the world and many companies realize that in order to succeed, they must earn the respect and confidence of their customers. Like never before, corporations are being asked, encouraged and prodded to improve their business practices to emphasize legal and ethical behavior. Companies, professional firms and individuals alike are being held increasingly accountable for their actions, as demand grows for higher standards of corporate social responsibility.

The field data shows, nearly 77% of corporate managers agree, somewhat agree or even strongly agree. However, we cannot ignore the opinions of 23% respondents, who want to keep the two items separate.
On a question of ethical choice—"Business creates wealth, produces goods and services, creates employment and generate income? So, what more CSR do the society expect us?" 77% of respondents disagreed with this sort of ethics.

Further on the question, "CSR has become a type of initiatives, codes and standards aiming to help companies do 'the right thing", 96% of CEOs agreed to this ethics.

On another question, "There is a sense of pride and commitment that motivate the employees of the organizations following the CSR.” Opinions are 92% in favor.

On employees separation a question was asked, "CSR practices of an organization leads to lower employee separation.” Answer was 69% in favor while 31% disagreed.

Question” Mahatma Gandhi had proposed CSR as the main business objective in his thoughts. Do you still consider the same to be effective in the modern world of business?” 86% CEOs still endorse the ethics, only 14 % differ.

“The Vision & Mission of your organization integrate CSR issues.”-
Answer to this was 96% positive.
CSR AS A TOOL

The current application of Corporate Social Responsibility (CSR) principles is still far from ideal as many firms still engage in exploitative practices that threaten the environment and social surroundings.

"Since it is on a voluntary basis, CSR tends to be a mere public relations tool. People can see that CSR adoption by companies does not stop their violations as regards their social and environmental surroundings,"

Many firms worldwide prefer the CSR framework of community development programs such as providing free health services, scholarships, assistance to small and medium enterprises and donations to disaster victims. They contributed enormously to the local community.

Therefore, CSR implementation needed a standard, a reporting mechanism and verification processes, which would serve as guidelines to determine which activities were really socially and environmentally responsible.

So, in the question of "the existing idea of Corporate Social Responsibility (CSR) is merely a conceptual scheme rather than the actual social responsibilities of a corporation and its business responsibilities?" the corporate choices are divided 50-50.
In another question, “The corporation is an organization for wealth creation with CSR conceived as a strategic tool to promote economic / social objectives.” 88% Corporate opinion favored the idea.

“There should be a legal binding on organisations for the spending done on CSR activities.” 92% agree to this proposal.

**ATTITUDES**

The “Values and Principles” statement defines the ideals to which an organization aspires, in addition to the basic CSR concepts that guide all of its business activities. The adoption of a CSR-oriented business approach to be synonymous with the implementation of its management philosophy and has consequently reinforced those activities that are founded upon its basic CSR policy. To help promote its CSR activities, the CEOs of various Groups have established subcommittees representing various stakeholder groups, including customers, shareholders and investors, employees, suppliers and the local communities in which the Group has operations.

“The shareholders are nothing but any group or individual who are affected by the achievement of an organization’s objectives”.

In response to this question, the corporate choices are 50-50.
CSR GOALS

Companies no longer operate in an ethical vacuum, but have come to understand that a broader stakeholder analysis is important in the way they interact with customers, employees, vendors, and society at large.

Some companies have gone so far as to evaluate and document their stakeholder analyses in a document called the “Corporate Social Responsibility” (CSR) report. These can be really valuable for Sales as well as Research Professionals.

If a sales or business development rep can tie their product or service to one of these objectives, they have a strongly focused, company specific selling point CSR goals can also be useful for business development directors, underwriters, lawyers, investment bankers, and consultants.

Question 4 asked, “The main goal of CSR is to create value for key stakeholders and fulfill our responsibilities to them, such as customers, employees, suppliers, investors and the government.”

The corporate choice was heavily supported by 81% while 19% felt otherwise. None disagreed strongly.
In a lighter question, “Sponsoring of T-20 Cricket Matches can be considered as a part of CSR activity.” The respondents mostly rejected the idea by 62% but a good percentage of 38% felt that this can be a part of CSR activity.

In response to a question, “CSR is ‘voluntary’ integration of social and environmental considerations into business operations.” The respondents were 62% in favor while 38% against it.

**CSR VS GROWTH**

Businesses are rapidly moving beyond the idea of Corporate Social Responsibility (CSR) as simply a necessary cost of doing business. Behind this new development is the unique role of the Internet in influencing buying behavior by providing ubiquitous, in-depth information about companies, their global supply chain partners, and their impact on society and the environment. To gauge how deeply CSR has penetrated the core of the corporation — it's strategies and operations, focusing on CSR activities to create new revenue streams. Yet fewer than one-quarter believe they understand their customers' CSR expectations well, a potentially alarming finding at a time when new customer expectations - and clout - are rapidly growing. Our analyses uncovered dynamics for companies to understand and act upon in dealing with the threats and opportunities of CSR.
“The managers should become aware of and responsive to more and more issues though they may be not purely business related and as a manager, he should understand there is strong connection between social values and a sustain profitable growth of an organization.” This question was responded by corporates with nearly 90% approval.

**IMPORTANCE OF CSR**

In recent decades the concept of Corporate Social Responsibility (CSR) turned out to be a vital strategy for companies to survive in a ruthless market environment. In a condition where market’s shift and customers’ preferences becomes more unpredictable and complex, adopting CSR strategy could be a powerful tool for survival.

In response to the question “The company stakeholders understand the responsibility to promote the importance of CSR.” The corporate choice was 85% in favor of the question.

**CSR & BUDGETING**

This is particularly clear that where respondent companies spend more of their CSR budget on environmental initiatives. And the budget allocation isn’t just among large companies. The survey was evenly spread across companies of all sizes. Respondents were qualified based on active involvement in selecting their company’s enterprise
applications and technology, and were evenly split between line-of-business (LOB) and IT roles.

“A minimum amount of spending from the profits should be budgeted by an organization for a more effective CSR.” In response to this question, 82% agreed for having a CSR budget.

**THRUST AREAS**

A question was put as “Health services, education, income generation schemes & economic developments of the local region should be considered as a key thrust area in CSR.”

As a responsible corporate, many corporates have undertaken various developmental activities in and around work centers under the CSR Thrust Areas and has done various developmental activities.

Under the integrated development work programme, various activities for improving the infrastructure in the village, promoting education, enhancing living conditions and healthcare have been undertaken such as cleaning and digging of drains to cater to the flood water, strengthening and raising level of old “Kuttcha” roads and construction of new “Kuttcha” roads. As we expected, the above question had 100% approval from company leaders.
CSR VS EXPENSE

Corporate Social Responsibility is a radical change as big as the industrial revolution. The entire way we think about business, government, and education will transform.

“A minimum amount of spending from the profits should be budgeted by an organization for a more effective CSR.”

CSR & LEGISLATION

CSR is the acknowledgement by companies that they should be accountable not only for their financial performance, but for the impact of their activities on society and/or the environment. Discussions surrounding the concept are still at an evolutionary stage, although the principles of CSR have long been part of business strategy.

Business is already accountable for its activities over the diverse strands that now come under the ‘CSR’ umbrella – such as human resources and environmental issues, sustainable development, waste management, health and safety practices, through a wide range of existing guidelines at national, EU and global levels. But it is important to distinguish between these base-line standards and CSR activity, which is voluntary, business-driven, and often goes well beyond what is required by legislation. So, when the following question was put to the CEOs, answer was 100% in favor of Legislation.

Question-“The government should enforce CSR on organization through an Act & it should also provide tax incentives (in form of tax benefits / land holdings etc.) to the corporates adopting good business practices and are doing some activities under CSR.”
**CSR & DIMENSIONS**

CSR is defined as "Achieving Commercial success in ways that honor ethical values & respect people, communities, & the natural environment".

"Long-term business success depends not only on healthy balance sheet, but also on social & environmental performance."

**CSR & PERFORMANCE**

100% respondents agreed to the following idea that CSR is a component of good business practice.

"CSR is becoming a progressively important component of good business practice."

While opinion was divided in the question, "The effects and benefits of strategic CSR far exceed its cost." 81% agreed while 19% disagreed.

"CSR & Corporate Social Performance (CSP) is measures of long-term financial performance."--88% respondents agreed to this while only 12% differed.

In a question, "There has been a substantial improvement in the financial performance of such organizations since they are complying
CSR.” More than 93% respondents agreed on long term impact of CSR on performance.

When asked, “CSR activities funds allocation should be performance based.” The answer was divided. 69% of CEOs were in favor while 31% against.

“The most critical emerging issues facing the field of CSR would be solved in the next decade.”-62% respondents are hopeful while 38% feel otherwise.

“An integrated CSR and Brand image approach improves Corporate profitability”. - 65% of respondents feel positive while 35% disagree.

“Brand Equity is a measure of CSR”.- 68% feel in favor while 32% against.

“Customer awareness towards CSR lead to better performance of an organization.”—88% agree to this idea.

“CSR activities undertaken by your organisation have helped in enhancing the performance of your employees.”- 92% of the CEOs supported this. Similarly, on the question “CSR activities of your organization have a positive impact on your core suppliers.” 92% of respondents agreed at various degrees.
Further, on the question "Customers impose greater faith in your organization as a result of your CSR activities." 88% respondents supported the idea.

"Investors impose more faith in your organisation due to the functioning of CSR policies". -85% of the respondents agreed.

"The Overall creditability of your organization has increased due to your CSR activities." -100% agree to this statement at different degrees.

"You fully support the spending by your organisation on CSR issues." This statement is supported by 88% of respondents. While 100% of CEOs feel that these spending yields a positive result on their organisation?

**CSR & PPP (PEOPLE PLANET PROFIT)**

Question—"There is a need to spread the focus on triple 'bottom lines' viz. the financial bottom line, the environmental bottom line and social / ethical bottom line."

Corporate Social Responsibility (CSR), also referred to as corporate stewardship or corporate citizenship, has become increasingly important to companies competing in today's business climate. Spoken
business terms like triple bottom line and balanced scorecard have become synonymous with the philosophy and goals espoused through CSR. Companies focusing on the ideals of people, planet, and profit and the three pillars of responsible business further bolster the notion that addressing social and environmental issues supports the attainment of financial goals and can be critical to long-term corporate success. 92% of the respondents agreed. Only 8% somewhat disagreed.

Question-“Most of the MNCs are using CSR as a tool to impress the host countries for better business opportunity.” 92% agreed.

Question-“Globalization has brought compulsion for Indian Companies to comply with better CSR.” Only 15% somewhat disagreed. 85% agreed that globalization will have compelling effect on Indian companies.

Question-“Due consideration should be given to the customers’ point of view of CSR in the mainframe while formulating CSR policies for any company.” 94% respondents agreed to this proposal.

On a question “Due to CSR policies, the work environments & work culture within the organization has seen a positive change.” 88% agreed while 12% disagreed.
**RELEVANCE OF CSR**

Question — "Organizations in India have been adopting different kinds of CSR activities irrelevant to the society."

Corporate Social Responsibility is one such niche area of Corporate Behaviour and Governance that needs to get aggressively addressed and implemented tactfully in the organizations. At the same time CSR is one such effective tool that synergizes the efforts of Corporate and the social sector agencies towards sustainable growth and development of societal objectives at large.

India is a fast growing economy and is booming with national and multinational firms. At the same time, the Indian land also faces social challenges like poverty, population growth, corruption, illiteracy just to name a few. Therefore it is all the more imperative for the Indian companies to be sensitized to CSR in the right perspective in order to facilitate and create an enabling environment for equitable partnership between the civil society and business.

Generate awareness and impart skills amongst the corporate, civic bodies and govt. bodies regarding the importance of Corporate Social Responsibility as an effective tool for creating an enabling environment of equitable partnership between civil society and business.

To encourage responsible business practices amongst organizations.
66% of respondents felt that approach to CSR is somewhat irrelevant while 34% disagreed.

In response to the question “For measuring CSR performance, there is little consensus among the corporates about the applications of measurement instruments.” 80% admitted that there is hardly any consensus among corporates about CSR.

**CSR & STRATEGIC CHOICE**

“The key stakeholders of an organisation are employee, customers, suppliers, government, community & the shareholders.” 96% of the respondents agreed with this proposal.

81% of the respondents felt that “All organizations should produce an annual sustainability / CSR reports.” 19% felt it was not required.

Opinion was divided in the question “The organisation should conduct feedback Survey to gauge public perception/ customer satisfaction of its product/ services/business operations with a view to assess the social & environmental impacts of its activities.” 59% of CEOs responded in favor while 41% against.