CHAPTER – I
INTRODUCTION

1.1 Prelude 1
1.2 Concept of Corporate Social Responsibility 1
1.3 Concept of Performance 3
1.4 Relationship between CSR and Performance 6
1.5 Need for the Study 7
1.6 Research Gap and Statement of the Problem 8
1.7 Objectives of the Study 9
1.8 Research Hypotheses 10
1.9 Scope of the study 11
1.10 Research Methodology 11
1.11 Limitations of the Study 15
1.12 Thesis Design 16
1.1 Prelude

Broadly, CSR (Corporate Social Responsibility)\(^1\) symbolizes the relationship shared between a company and the wider community. Business has to recognize the fact that it is bound by the welfare of the community. Thus the objective of every responsible corporate is to fulfill the obligation to contribute to the community in which it operates as well as draw from the same. Post 1991, LPG – liberalization, privatization and globalization has gained prominence and so has CSR. Given the size and scope of companies, it is obvious that corporations have begun to wield unimaginable influence on the nation’s assets. It is astonishing that the revenues of few companies even exceed GNP (Gross National Product) of certain small countries of the world. A large part of nation’s resources are controlled by some of the companies and the government’s role is contracting to just governance and facilitation. Thus, forces of globalization are partly affecting and responsible for the gradual disintegration of established political structures or at least applying pressure on the existing political structure and economic structure. In light of above facts, there seems to be a fertile environment which is allowing the development of few driving forces which in turn encourage the development of principles, practices and agenda of CSR. Governments all over the world perceive CSR as contribution of business to the nation’s long term objectives of sustained development. In essence, the suggestion is that commercial corporations must fulfill their duty and certain obligations towards the well being of society.

1.2 Concept of Corporate Social Responsibility

The concept of CSR is built around ethics and ethical behavior of companies towards society at large. It can mean many things, like engaging directly with local communities, identifying their basic needs and integrating their needs with the business goals and strategic intent (Agarwal, 2008). Etymologically, the term “Company” is derived from two Latin words “Cum” and “Panis” meaning “breaking bread together”. The original idea of company has communal and social connotation. CSR can be distinguished by three words in the phrase which in broad terms cover the responsibilities that corporations have towards the society within which they operate.

\(^1\) Henceforth, only abbreviation CSR may be used which refers to ‘corporate social responsibility’.
As per World Business Council for Sustainable development (WBCSD)\(^2\), CSR is “the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of workforce and their families as well as of the local community and society at large.”

The concept of CSR is qualitatively different from the traditional concept of philanthropy. Modern corporate social responsibility is expected to go beyond just philanthropy and be part of society by establishing a strategic relationship with government and local community. But traditional concept of corporate philanthropy is an outcome of catering to the welfare of the immediate members of the community who get affected by the organization like employees and their family members. Thus, the concept has evolved over the course of time and more so during the 1990’s post liberalization period of Indian economy. (Agarwal, 2008)

In business parlance, CSR is a way of communicating and displaying non-financial performance to a variety of stakeholders (Sumati Reddy, 2002). The thought of CSR is as old as the idea of business itself but the current concept of CSR covers a large spectrum of methodologies, tools and topics. CSR involves organizations’ voluntary integration of environmental and social concerns in addition to the economic concerns that organizations incorporate traditionally in its policies and practices. (Sumati Reddy, 2002)

According to Kotler and Nancy (2005), CSR is the obligation of organizations to continuously improve the wellbeing of the community by adapting discretionary business practices and utilization of corporate resources. It refers to the voluntary commitment which business can make in choosing and implementing new corporate practices and contributions which can improve well-being of community. The reference is not to the legally mandated business activities or those actions that organizations are expected to undertake for moral and ethical reasons. The community well-being involves wellbeing of both environment issues and human conditions.

The terms of CSR and Corporate Citizenship are often used synonymously in literature. While CSR ensures companies to voluntarily integrate social and environmental concerns in their daily business operations and interactions with

\(^2\) The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment. http://www.wbcsd.org
various stakeholders, corporate citizenship involves benefitting both the company and society by using the company’s resources. (Andriof and McIntosch, 2001). It is an outcome of the perspective that companies which are independent legal entities are members of the society having both legal rights and duties. Apart from undertaking their legal duties such as paying taxes and following the laws of the government, a good corporation should also contribute to the improvement of the quality of life of the society at large. (Sumati Reddy 2002)

1.3 Concept of Performance

Organizational performance is inevitably an important key indicator for the success of any business. Performance management theory advocates the use of combination of financial and non financial indicators as there are few shortcomings when only financial performance indicators are used to monitor performance. Evaluating only financial performance may encourage the managements to take shortsighted decisions that will improve financial performance in the short term but have adverse impact strategically and on long-term profitability. As an example, the management might postpone critical financial investments to boost short-term profits of the company. There is a tendency of financial performance measures to have an internal focus. In order to be successful and out beat the competition, external factors of customer satisfaction and actions of competitors are also important. Sometimes, managements may be tempted to manipulate results to show short term financial performance. The exclusive use of financial performance indicators may not sometimes have a great benefit to the company as they do not portray the complete perspective on the multiple variables that fuel lasting success and maximization of shareholder wealth. A few examples of non financial performance indicators are the capacity to innovate, customer retention, customer satisfaction, quality, and employee productivity and employee satisfaction. Though, non-financial measures do not have intrinsic value for management, they are lead indicators which present trends on future performance not portrayed by contemporaneous accounting measures. Empirical studies by Ittner and Larcker (1998), Banker et al. (2000) stress the important role of non-financial performance measures as primary indicators of future financial performance.

Some organizations have been using non-financial performance measures such as customer satisfaction, product quality and employee turnover along with financial
measures. The use of non-financial measures is especially relevant in business circumstances where financial based performance measures don’t portray the complete perspective. Financial performance is many a times found to be an outcome of changes in non-financial variables and prove to be key factors of organizational success. Financial performance measures are conventionally backward looking and may not suit current dynamic business environment. The ideal approach has been to use both financial and non-financial performance indicators. Some models for evaluating both financial and non-financial performance are Kaplan and Norton's balanced scorecard, triple bottom line reporting, the performance pyramid, Fitzgerald and Moon's building block model and the performance prism. Some of the advantages of these models are that they have linkages to business policy, consider external as well as internal measures, demonstrate plainly the tradeoffs among different dimensions of performance and show how measures will influence employees.

The balanced scorecard includes financial measures (these reveal the results of actions already taken) and non-financial measures (these are drivers of future financial performance). Kaplan and Norton (1996) defined a scorecard model, whereby in addition to financial measures, organizational performance should include measures from a customer perspective, an internal business process perspective, and measures from perspective of employee innovation and learning. Sometimes referred to as the four perspectives model, the name " Balanced Scorecard" was chosen to reflect the need of organizations to manage business by practicing balanced assessment of performance measures. A good performance scorecard, therefore, includes a mix of core outcome measures common to most strategies and performance drivers that reflect the uniqueness of a particular strategy. The measures and drivers selected should distinguish between long term and short term objectives, between financial and non-financial measures, between lagging and leading indicators and between internal and external performance perspectives.

The balanced scorecard allows performance to look at the business from four important perspectives.

3 The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Drs. Robert Kaplan (Harvard Business School) and David Norton as a performance measurement framework.
To elaborate further each of the four perspectives can be associated with different performance measures.

Table 1.1: Performance Measures in Balance Score Card Perspectives

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Market share, customer retention, acquisition and Satisfaction, profitability, percentage defects.</td>
</tr>
<tr>
<td>Internal</td>
<td>Cost control, quality of products and services, on time delivery</td>
</tr>
<tr>
<td>Learning and</td>
<td>Job satisfaction, retention, productivity, internal reputation, organizational commitment and attrition.</td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>ROCE, ROA, NPM, OPM, ROE, EPS, Cash flow, Sales Growth</td>
</tr>
</tbody>
</table>

While the models of performance and measures used vary based on nature of the industry and products, the variables of employee attrition, satisfaction, commitment and internal reputation are found to be common among almost all performance models. In this research there is an attempt to arrive at holistic performance measures inspired by Balance Score Card model by considering both financial and non financial parameters as below:
Table 1.2: Performance parameters considered for the Study

<table>
<thead>
<tr>
<th>Financial Parameters</th>
<th>Non Financial Parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Capital Employed</td>
<td>Internal Reputation</td>
</tr>
<tr>
<td>Net Profit Margin</td>
<td>Organizational Commitment</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>Return on Equity</td>
<td></td>
</tr>
<tr>
<td>Return on Asset</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author compilation

1.4 Relationship between CSR and Performance

Over the years, an enormous body of literature has emerged concerning the link between CSR initiatives and organizational performance. It is essential to understand the association between CSR and performance since corporations are driven by profit and a positive relationship would help justify corporations spending more resources on CSR activities. This would further encourage more corporations to incorporate CSR as a part of strategy to increase organizational performance. There have been many empirical studies which focus on the impact of CSR since the 1980s. Some of these studies have focused on identifying the effects of CSR on overall organizational performance and have furnished empirical evidence to establish relationship between CSR and overall performance. (Burke and Logsdon, 1996; Johnson, 2003; Porter and Kramer, 2002; Snider et al., 2003). Few other studies have stressed on the impact of corporate social activities on financial performance (McGuire et al., 1988; Pava and Krausz, 1996; Stanwick and Stanwick, 1998. The association between CSR activities and firm performance has been extensively debated. While a majority of authors and experts agree in principle that the relationship between CSR and organizational performance is positive, there are few studies which indicate otherwise and more so in the short term perspective. The research on the relationship between CSR and organizational performance can be further narrowed by moving from the broader question of whether CSR has an impact on performance to a study of impact of CSR on specific aspects of organizational performance which can be classified into financial performance parameters and non financial performance parameters.
1.5 Need for the Study

Although extensive research has been made in understanding the association between CSR and organizational performance, it suffers from at least two important limitations that we seek to address in this study. First, research on the impact of CSR on organizational performance has focused exclusively on western developed economies and in fact there are no studies specifically considering Indian Companies. To be specific, scholars have not examined the strategic value of CSR in emerging economies. Most of the research on CSR in emerging economies has focused almost exclusively on corporate citizenship, corporate irresponsibility, and motives for CSR in these countries.

The study addresses this issue by considering the impact of CSR on four measures of organizational performance: the often used financial performance measures, as well as employee commitment, job satisfaction and corporate reputation.

The consideration of CSR in the Indian IT sector was motivated by the industry’s pivotal role in the country’s emergence as a strong global contender. India’s Department of Information Technology noted that the IT industry’s contribution to the national economic output has nearly quadrupled in the last few years. The IT industry index outraced the market with a 45% jump, compared with the Bombay Stock Exchange’s 15% growth and NASDAQ’s 4% growth (Mitra, N.D). This was also a motivation for the study.

It is interesting to note that much research has been done on CSR globally. However, meticulous research is not found with respect to India considering that it is one of the fastest growing economies with over 1/6th of the world’s population and ever increasing role of corporations, especially from the IT Industry in the nation’s development. In this study, we address this issue by considering the impact of CSR on four measures of organizational performance: the often used financial performance measures, as well as employee commitment, job satisfaction and corporate reputation.

4 The NASDAQ Stock Market commonly known as the NASDAQ (currently stylized as Nasdaq), is an American stock exchange. It is the second-largest exchange in the world by market capitalization, behind only the New York Stock Exchange.
1.6 Research Gap and the Statement of Problem

The literature survey indicates that there have been few studies internationally on measuring influence of CSR on holistic performance parameters which consider both financial and non-financial variables. In India, there have been several studies with emphasis on impact of CSR on society but there have been no studies relating to linking of CSR activities and performance of companies in the IT industry.

Besides there is an increasing need to study the differential impact of CSR activities on organizational performance taking into account all local conditions and the ability of the organization to formulate and regulate effective CSR strategies.

The study of impact of CSR on its employees, customers, business partners and local community keeping in mind the changing socio-economic scenario of Indian subcontinent is crucial in this current era of globalization. It is increasingly important because of the following reasons namely:

a. Increasing Expectations: The society and Consumers anticipate more from the companies whose products they buy. Some of the recent scandals have reduced public trust and confidence in business corporations. This has raised questions over the capability of regulatory authorities to reduce corporate excesses. There is need for studies which shall serve as guidelines for designing fresh CSR plans and in implementing them.

b. Increasing Affluence: There is abundance of affluence among some groups of people in India. The divide in the Indian business society among the affluent business companies and the petty businessmen is deep and historical. Affluent consumers can afford and also have a tendency to choose their products. It is critical that the resources of such affluent organizations are channelized for overall good of the society. There is a need for creating and developing simple yet appropriate techniques for affluent business houses to utilize their resources to serve the society at large.

c. Changing Global Scenario: As mentioned earlier, there is a need to arrive at more innovative practices and strategies to implement CSR activities and ensure that its objectives are fulfilled. This has to be designed keeping in view, the new global working environment, changing labor practices, dynamic political and societal scenario which is challenging, etc. This study could possibly provide the new innovative ways of studying and practicing CSR in a global environment both in theory and practice.
1.6.1 Research Questions:

Some of the research questions which emerge as a consequence of the literature review:

1. CSR practices in India - Are they effective?
2. Considering the Indian paradigm, does CSR influence employees’ commitment and job satisfaction at all? If so, how and why?
3. Does CSR have a relationship with financial performance of the organization? How can one measure it?
4. Is the reputation or the brand image of the company contingent upon the CSR? If so, how does it help in enhancing the reputation of the companies?
5. Is there any impact of CSR on local communities at all? If so, what kind of impact results out of such CSR activities?

1.7 Objectives of the Study

The study in general aims to find out the impact of CSR on the organizational performance. The relationship between CSR and organizational performance can be examined at two different levels namely individual level and organizational level. At the individual level, parameters such as employee’s satisfaction levels, commitment to organization, attitudes, perception, motivational factors, etc. shall be considered. At the organizational level, parameters such as revenue and profitability shall be taken into account. Following are the specific objectives of the study:

1. To evaluate the impact of CSR activities on employees of the company, job satisfaction and commitment to organizations will be examined.
2. To study the impact of CSR on internal reputation of organizations
3. To examine differences in Employee’s Commitment, Job satisfaction, perception of CSR and reputation across demographics.
4. To know the impact of various demographic parameters on the relationship between perception of CSR and Employee’s Job satisfaction and commitment to organization.
5. To analyze the relationship between CSR and financial performance.
6. To study existing CSR activities in companies and design new CSR model.
1.8 Research Hypotheses

Under Objective-1

H1: “Employees’ perceptions of CSR are not related to their job satisfaction”.

H2: “Employees’ perceptions of CSR are not related to their commitment to organizations”.

Under Objective-2

H3: “Employees’ perceptions of CSR are not related to internal reputation of their organizations”.

Under Objective-3

H4: “Employee commitment to organizations, job satisfaction and perceptions of CSR is same across genders”.

H5: “Organization’s internal reputation is same across genders”.

H6: “Employees’ commitment to organizations, job satisfaction and perceptions of CSR and organization’s internal reputation is same across different age groups”.

H7: “Employees’ commitment to organizations and perceptions of CSR is same across different current experience levels”.

H8: “Employee’s job satisfaction and internal reputation of organizations is same across different current experience levels”.

H9: “The job satisfaction of employees, commitment to organizations and their perceptions of CSR and Organization’s internal reputation is same across different total experience levels”.

Under Objective-4

H10: “There is no linear relationship existing between employees’ demographic parameters, employees’ perceptions of CSR and organizational commitment”.

H11: “There is no linear relationship between employees’ demographic parameters, Employees’ perceptions of CSR and job satisfaction”.

Under Objective-5

H12: “CSR is not related to the financial performance of organizations”.
1.9 Scope of the Study

The study is confined to the IT industry and companies located in Karnataka. Karnataka has been chosen since it is home to all the major IT companies of India. Companies were chosen based on revenues reported in company reports and from NASSCOM$^5$. Financial performance data has been measured for the years from 2007-2008 to 2013-2014. Primary data for measuring non financial performance was collected during the year 2014-2015.

1.10 Research Methodology

The research methodology includes the details about data collection method, sampling technique and size, sample size and statistical tools used to analyze data collection.

1.10.1 Data Collection:

The study has used both primary and secondary data. Secondary data has been collected from various journals, periodicals, and published government reports, annual reports of companies, industry association reports and web sources. The primary data has been collected from field survey with the help of questionnaire.

1.10.2 Sampling technique and Size:

For the purpose collecting secondary data and measuring Financial performance parameters, 19 IT companies have been selected on basis of revenues per annum and CSR activities done. This data was sourced from CMIE$^6$, NASSCOM and other publicly available reports. For the purpose of measuring non financial performance parameters, Primary data was collected using structured questionnaire and interview schedules. The units of sample for the study were employees spread across different companies, genders, experience levels and designations. To ensure proportionate representation, sampling has been done to ensure that data has been

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$^5$ NASSCOM (The National Association of Software and Services Companies) is the premier organisation that represents and sets the tone for public policy for the Indian software industries. It is a trade association of Indian Information Technology (IT) and Business Process Outsourcing (BPO) industry.

$^6$ CMIE, or the Centre for Monitoring Indian Economy, is a leading business information company. Established in 1976, it straddles the entire information food-chain - from primary data collection through analytics and forecasting. It provides services to the entire spectrum of business information consumers that includes governments, academia, financial markets, business enterprises, professionals and the media.
collected from a minimum of 0.5% of the employee strength from companies having employee strength below 25000 and 0.1% from companies with employee strength of 25000 and above.

Systematic random sampling method was followed while identifying the units for the study. Judgment and stratified random sampling were used depending on the need and suitability. The employees were subjected to in-depth interviews for their opinion on various issues of the organization. Random stratified sampling method has been used for the selection of sample respondents. The sample tested included employees or working in selected IT companies in Karnataka state. The sample consisted of 708 employees working in selected IT companies in Karnataka state.

1.10.3 Sample Design:

In this study the researcher has considered the following circumstances for the selection of the sample size for collecting secondary data for understanding financial performance parameters

- The companies should belong to the IT industry and should be listed whereby financial data is available through credible sources
- The companies should have done some sort of CSR activities as per in Karmayog Survey\(^7\) CSR Ratings and reported in their annual reports

The researcher has identified 19 companies which matches the above criteria.

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\(^7\) KARMAYOG is a leading non-profit organization which has been rating the top companies in India on their CSR practices
### Table 1.3: List of the companies considered for Secondary Study

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Company Name</th>
<th>CSR Areas of Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3i Infotech Ltd.</td>
<td>Education, Healthcare, Community Welfare</td>
</tr>
<tr>
<td>2</td>
<td>Firstsource Solutions Ltd.</td>
<td>Education, Physically &amp; Mentally Challenged, Healthcare</td>
</tr>
<tr>
<td>3</td>
<td>HCL Technologies Ltd.</td>
<td>Education, Community welfare, Children</td>
</tr>
<tr>
<td>4</td>
<td>Hexaware Technologies Ltd.</td>
<td>Community Welfare, Physically Challenged, Environment</td>
</tr>
<tr>
<td>5</td>
<td>Infosys Technologies Ltd.</td>
<td>Social Rehabilitation and Rural Upliftment, Learning and Education, Art and Culture, Healthcare</td>
</tr>
<tr>
<td>6</td>
<td>Infotech Enterprises Ltd.</td>
<td>Education, Disaster Relief</td>
</tr>
<tr>
<td>7</td>
<td>Mindtree Ltd.</td>
<td>Environment, Environment, Community welfare</td>
</tr>
<tr>
<td>8</td>
<td>MphasiS Ltd.</td>
<td>Physically Challenged, Poverty Eradication, Vocational Training</td>
</tr>
<tr>
<td>9</td>
<td>NIIT Ltd</td>
<td>Education, Community Welfare, Disaster Relief</td>
</tr>
<tr>
<td>10</td>
<td>Oracle Financial Services Software Ltd.</td>
<td>Education, Healthcare, Environment</td>
</tr>
<tr>
<td>11</td>
<td>Patni Computer Systems Ltd.</td>
<td>Environment, Healthcare, Community welfare</td>
</tr>
<tr>
<td>12</td>
<td>Polaris Software Lab Ltd.</td>
<td>Children, Education, Vocational Training</td>
</tr>
<tr>
<td>13</td>
<td>Rolta India Ltd.</td>
<td>Health, Education, Physically Challenged</td>
</tr>
<tr>
<td>14</td>
<td>Sonata Software Ltd.</td>
<td>Education, Environment, Disaster Relief</td>
</tr>
<tr>
<td>15</td>
<td>Spanco Limited</td>
<td>Vocational Training, Healthcare</td>
</tr>
<tr>
<td>16</td>
<td>Tata Consultancy Services Ltd.</td>
<td>Energy, Community welfare, Education</td>
</tr>
<tr>
<td>17</td>
<td>Tech Mahindra Ltd.</td>
<td>Education, Women and Girl Child, Environment</td>
</tr>
<tr>
<td>18</td>
<td>Wipro Ltd.</td>
<td>Environment, Education, Energy</td>
</tr>
<tr>
<td>19</td>
<td>Zensar Technologies Ltd.</td>
<td>Healthcare, Environment, Education</td>
</tr>
</tbody>
</table>

*Source: NASSCOM*

For the purpose of measuring Non financial parameters the researcher has considered the following circumstances for the selection of the sample size for collecting secondary data for understanding non financial performance parameters apart from the above.

- The company should have significant presence in Karnataka and have more than 1000 employees working in Karnataka.
• The Company should have been ranked in the TOP 20 IT Employers for at least 3 years as per NASSCOM.

• The company should have sales revenue of above 1000 Crores.

The researcher has identified 10 companies which fulfill the above criteria.

**Table 1.4: List of Companies for primary data collection**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Company Name</th>
<th>No. of employees</th>
<th>Sample size</th>
<th>% of total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sonata Software Ltd.</td>
<td>2801</td>
<td>15</td>
<td>0.5</td>
</tr>
<tr>
<td>2</td>
<td>Hexaware Technologies Ltd.</td>
<td>5137</td>
<td>26</td>
<td>0.5</td>
</tr>
<tr>
<td>3</td>
<td>Mindtree Ltd.</td>
<td>8297</td>
<td>42</td>
<td>0.5</td>
</tr>
<tr>
<td>4</td>
<td>Polaris Software Lab Ltd.</td>
<td>9512</td>
<td>48</td>
<td>0.5</td>
</tr>
<tr>
<td>5</td>
<td>3i Infotech Ltd.</td>
<td>15000</td>
<td>75</td>
<td>0.5</td>
</tr>
<tr>
<td>6</td>
<td>Tech Mahindra Ltd.</td>
<td>33524</td>
<td>36</td>
<td>0.1</td>
</tr>
<tr>
<td>7</td>
<td>HCL Technologies Ltd.</td>
<td>72267</td>
<td>73</td>
<td>0.1</td>
</tr>
<tr>
<td>8</td>
<td>Infosys Technologies Ltd.</td>
<td>113800</td>
<td>114</td>
<td>0.1</td>
</tr>
<tr>
<td>9</td>
<td>Wipro Ltd.</td>
<td>108071</td>
<td>109</td>
<td>0.1</td>
</tr>
<tr>
<td>10</td>
<td>Tata Consultancy Services Ltd.</td>
<td>160429</td>
<td>170</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>528838</strong></td>
<td><strong>708</strong></td>
<td><strong>0.1</strong></td>
</tr>
</tbody>
</table>

*Source: NASSCOM*

**1.10.4 Questionnaire:**

A comprehensive questionnaire on a seven point Likert scale was prepared taking into account the objectives and hypotheses of the study. The employees’ perceptions on various attributes of CSR and performance parameters were measured. The survey instrument has been derived from proved and tested standardized scales. The scales that have been utilized in developing the comprehensive questionnaire are ‘The Generic Job Satisfaction’ Scale by Scott Macdonald and Peter MacIntyre for measuring job satisfaction.\(^8\) CSR Scale developed by Dyugu Turker (2006) to

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\(^8\) The Generic Job Satisfaction Scale: Scale development and its correlates, Employee Assistance Quarterly, Volume 13 (2) 1997 has been developed by Scott Macdonald and Peter MacIntyre
measure Corporate Social Responsibility, Commitment Scale derived from Allen and Meyer to measure commitment and Reputation quotient by Fombrum C, N A Gardberg and J M Sever to measure Corporate reputation.

1.10.5 Area of Study:

Bangalore is the area chosen for the study. The rationale behind it is the fact that it is a hub of IT companies and is rightly known as Silicon Valley of Asia. Most of the IT companies based in Bangalore have foundations which are involved in numerous CSR activities. Secondly, Bangalore is one of the promising metropolitan cities which is in transition and is moving towards being a ‘cosmopolitan’ city of the 21st century and hence can be a perfect place for examining issues concerned with CSR, which is a relatively new concept being put into practice in India.

1.10.6 Data Analysis and Interpretation:

A number of statistical tools including percentages, mean, median, standard deviation and standard error have been used to analyze the data collected to arrive at a conclusion. Descriptive statistical tools such as ANOVA were used to determine the significance. Regression analysis and Karl Pearson’s correlation coefficient have been used to establish the relationship between the variables chosen. The researcher has used Statistical Package for Social Sciences (SPSS) to analyze and interpret the data.

1.11 Limitations of the Study

Like any other empirical research, this study also has some limitations as follows, which can be improved in further research.

1. The study is restricted to information technology companies in Karnataka.
2. The study is restricted to one sector only and hence generalization can be difficult.
3. In this study, questionnaire is used as an instrument for a sample population; therefore, this study may not gather all the information from the whole population of Karnataka.

In spite of limitations, the study has covered all dimensions. Adequate care has been taken to ensure fair gender, age group and experience levels representation in the respondents group. Proper representation of industry has been ensured by considering companies of different levels of revenues.

Appropriate statistical tools are used for analysis and interpretation.
1.12 Thesis Design

The present study is undertaken with the following chapter scheme:

Chapter 1: Introduction

This chapter provides the basic framework of the study and presents the technical details of the study report. It includes need for the study, objectives and hypotheses of the study. It has a detailed section on research methodology adopted along with limitations of the study.

Chapter 2: Corporate Social Responsibility and Organizational Performance

In this chapter, effort has been made to understand and explain the concept of CSR and how it is related to organizational performance.

Chapter 3: Corporate Social Responsibility in India

In this chapter, an attempt has been made to understand CSR in India and in the IT industry.

Chapter 4: Review of Literature

In this chapter, various research papers published in national and international journals and articles have been reviewed from a conceptual perspective. The various gaps existing in the literature have been identified to determine the necessity of the study.

Chapter 5: Data Analysis and Interpretation

This chapter includes the demographic profile of the sample. This chapter attempts to analyze the data collected from both secondary and primary sources and interpret the same using various statistical tool.

Chapter 6: Summary of Findings, Suggestions and Conclusions

This chapter presents the observations made during the analysis and interpretation of data collected through questionnaire and structured interviews. Suggestions are offered by the researcher based on the analysis of the findings. This chapter also includes the concluding observations of the study.