RESEARCH METHODOLOGY

PREVIEW

This chapter presents the research design, objectives and the hypotheses of the study, sample size and data sources for both primary and archived data. The chapter puts forth details about the structure of the questionnaire along with respondents’ and organizational demographics. It also includes the method of data collection. Finally, it incorporates details about significance of the study.

Business leaders agree that managing in times of turbulence and accelerating change challenges their traditional views of competitiveness and success factors needed for survival and profitability. The changes in society are forcing companies to consider the views of various interest groups in decision making. Building relationships with customers, suppliers, employees, communities and other stakeholders can become central to competitiveness and form the foundation for a new, progressive and people-centered corporate strategy which attacks the sources- not the symptoms - of challenges facing business today. This brings us to the increased importance of corporate social responsibility (CSR) (Palazzi and Starcher, 2000; Mazarr, 1999).

India is a developing country marked by a growing economy, emergent business sector and globalized trading opportunities. The growing state of economy has delivered a positive economic impact on one side, but these emergent businesses have posed a threat on our society and environment. The state of society in India is not very promising. Organizations in India have turnover in crores but their contribution to the society in terms of livelihood support, infrastructure development, women empowerment, child development, rural support is still negligible. Also, organizations have long been criticized for their negative effect on the natural environment in terms of wasting natural resources and contributing to environmental problems such as pollution and global warming, waste disposal, deforestation and land degradation.
India has one of the richest traditions of CSR. Large Corporate houses like Tata, Birla and Mahindra’s have been doing CSR in form of Philanthropy. In recent years, Indian businesses have become aware of social responsibility as an important segment of their business activity, but CSR in India has yet to receive widespread recognition. There is both governmental and societal pressure on corporations to adhere to stricter societal and environmental standards and voluntarily engage in activities to improve condition of both society and environment. The big challenge is how to mainstream the issue of corporate social responsibility and environmental sustainability, as it is still a sideline issue for many corporations and not a boardroom issue. Though CSR has gained immense popularity, there is a fragmented understanding of CSR. There is also lack of active participation on part of corporations in various areas of corporate social responsibility. Considering the present scenario, there may be a need for consolidation in the understanding of CSR.

3.1 NEED OF THE STUDY:

On the basis of reviews and views of experts, it has become imperative to study and analyze corporate social responsibility in the special context of recent emphasis given on environmental sustainability. The need of the study is to fully analyze and understand the concept of corporate social responsibility and environmental sustainability in the light of corporate initiatives and practices, because corporate are seriously looking at sustainability, as it helps them build trust with various stakeholders such as the government, shareholders, customers, employees, community at large and the regulators. The need is to understand and analyze the priority areas of social responsibility adopted by the organizations, to know how sensitively corporations work for society and environment, what is their lacking on the issue and give them suggestions on the basis of study. Against this backdrop, the present study entitled Corporate Social Responsibility and Environmental Sustainability in Indian Companies has been undertaken.

3.2 OBJECTIVES OF THE STUDY:
The study is based on the following objectives:

1. To comprehend the concept of corporate social responsibility and environmental sustainability.

2. To identify and compare the corporate social responsibility practices and environmental pro-activeness of Indian companies.

3. To analyze the perception of managers regarding corporate social responsibility and environmental sustainability.

4. To suggest ways through which company can enhance corporate social responsibility and environmental sustainability practices.

3.3 HYPOTHESES:

To make the study more scientific, the following null hypotheses have been tested under the study:

\( H_{01} \): Companies are not proactive towards corporate social responsibility and environmental sustainability practices.

\( H_{02} \): There is no significant difference in the proactiveness of listed and unlisted Indian companies towards corporate social responsibility and environmental sustainability practices.

\( H_{03} \): There is no significant difference in the proactiveness amongst various sectors of listed companies towards corporate social responsibility and environmental sustainability practices.

\( H_{04} \): There is no significant difference in the proactiveness amongst various sectors of unlisted companies towards corporate social responsibility and environmental sustainability practices.
3.4 RESEARCH METHODOLOGY:

- The investigation rests on three pillars. The first is an extensive review of global and India-specific literature on CSR. The second essentially draws on the findings of the empirical survey. Third, is the case study employed as a research strategy.

- The study is based on both primary as well as secondary data for the purpose of obtaining determined objectives of the study. For collecting primary data for the study of Corporate Social Responsibility and Environmental Sustainability, a survey was conducted using self-structured questionnaire and face to face discussions. The Secondary data and information was collected from reliable secondary sources such as annual reports, company websites, regulatory filings, and data with industry association, regulatory bodies, reports of various concerned associations, government websites and various newspaper articles.

3.4.1 Sample Distribution:

- Data and information was collected mainly from listed and non-listed companies operating in National Capital Region (Delhi, Noida, Ghaziabad, Gurgaon, and Faridabad). To make the study more authenticated, the data was also collected from western region of India.

- In order to collect data, total two hundred questionnaires were floated. Despite close, rigorous follow-up, spread across two months through e-mail, letters, telephone calls and even personal visits, responses were received from only 105 companies in total (listed 54 and unlisted 51). Out of these, 6 responses from listed category and 8 responses from unlisted category were dropped due to the incomplete information. To make the sample more representative, the researcher extracted some of the information pertaining to the subject for an additional 2 listed and 7 unlisted companies from the published annual reports, director’s reports, brochures published by the companies.
from time to time and other articles etc. published about the CSR initiatives of these companies in reputed journal and financial dailies and weeklies, and also from and personal contacts. Many companies responded after assuring that their responses would be used only for the purpose of research and analysis, and would not be shared with any third party.

The analysis, therefore, is for 100 companies, out of which listed companies are 50, and unlisted are also 50. The companies selected for the study represent the diversified sectors such as: Automobile, Banking Consumer Durables/FMCG, IT (Computer Hardware and Software), Oil & Gas. Sample was selected by using convenient sampling method. The sample design is exhibited in table 3.1:

The study of this nature was limited to only those companies which were engaged in Corporate Social Responsibility and Environmental Sustainability Practices. In India most of the unlisted companies have unstructured CSR policies and departments. Therefore identifying the sample was a tough and restricted task. Review of literature also shows that most of the self-structured studies done on the topic of similar nature have narrow sample size.

<table>
<thead>
<tr>
<th>Sample Respondents Sector wise</th>
<th>Listed</th>
<th>Unlisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Automobile</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>2. Banking/ Financial Services</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>3. Consumer Durables/FMCG</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>4. IT (Computer hardware and software)</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>5. Pharmaceutical</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>
3.4.2 Development of Survey Questionnaire:

The framing of the questionnaire involved considerations of questionnaire construction, question framing and the manner in which the questionnaire was to be administered. According to the research objectives, the questionnaire was segmented into two parts besides the respondent’s details with clear instructions as to how to reply to the questions. Detailed attention was laid on drafting statements to keep them simple, short, positively phrased and neutral to avoid any bias.

Structure of the Questionnaire:

The questionnaire was developed taking into consideration objectives of the study. A total of fifteen opinion based statements were designed divided into two sections. The first part of the survey questionnaire asked personal and organizational information from the respondents such as name, designation, professional experience, industry etc. The main sections were:

Section I - Personal Profile of the Respondents, CSR Profile and Perspective of Companies

Section II - CSR Areas & Initiatives Adopted and Priority of Companies

The questionnaire is given in Annexure I. The questionnaire can be understood in the following structural manner: The table 3.2 shows questionnaire structure and table 3.3 shows numerical code used for section II Likert scale:

### Table 3.2

<table>
<thead>
<tr>
<th>Section</th>
<th>Section Name</th>
<th>No. of Questions</th>
<th>Scale used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section I</td>
<td>CSR- Profile and Perspective of Companies</td>
<td>8</td>
<td>Multiple Response Options</td>
</tr>
</tbody>
</table>
Administration of the Questionnaire:

Administration of questionnaire is as important as its development in order to meet the research objectives of the survey and to obtain precise research data for descriptive, explanatory and exploratory purposes. As the standardisation of the questionnaire ensures reliability of the measurement instrument, the manner of its administration and statistical techniques used for its analysis ensure accuracy of the determinations (RupalTyagi, 2012).

It was assumed that respondents are representatives of sample companies with definite functional roles, and having knowledge of management policies and access to operational and quality performance data, hence would be able to answer the questions as a result of their experience. Thus, the survey targets carefully chosen respondents from a group of CSR professionals and employees, preferably who had direct access in CSR activities and strategic decision making. The responses were obtained through the Corporate Social Responsibility departments of the company or indirectly through the concerned department or official handling the area. The questionnaire was sent to the companies through email and personal visits explaining the background and objectives for undertaking the study.
3.4.3 **Methodology Adopted for Analysis:**

- The questionnaire was coded into Excel and SPSS. Then the data from the questionnaire entered into the database. The questionnaire was analyzed qualitatively as well as quantitatively to ensure that no valuable information given by the respondents was overlooked. The rationale behind conducting this survey was to get credible data on CSR initiatives of the companies. This survey looked into various issues of social and environmental relevance under the ambit of CSR, and elicited viewpoints of business houses on CSR practices, its strengths and challenges.

- For analysing the findings and to draw the inferences, the statistical and mathematical tools have been used like Frequency percentages, Mean Average, Standard deviation, and Z-test analysis, ANOVA etc.

- In order to ascertain the objectives, case studies on Tata Consultancy Services and Mahindra & Mahindra were framed and analyzed.

3.5 **SIGNIFICANCE OF THE STUDY:**

The study will be relevant for the industry as well as academia as it will discuss corporate social responsibility as a strategic move that organizations can incorporate in their overall business strategy, thereby achieving better all-round performance.

It is evident that this area of research is still under-explored and is in its infancy in India hence, we expect that the findings of the study will contribute significantly to the literature on this subject in the Indian context.