5.1 Summary of Major Findings

In this chapter, findings of the study are presented along with the summary, suggestions and conclusion of the study. The aim of the study was to find out the awareness, practice, strategy, benefits of Corporate Social Responsibility practice and to suggest suitable measures for effective implementation of Corporate Social Responsibility practices by the select services and enterprises, both government and non-government organisations.

The study being empirical in character, was based on survey method and information collected personally through a structured questionnaire reinforcing its genuineness by initiating personal interviews.

The data collected from executives of the select services and organisations were analysed and the result drawn on some major findings are presented as below:

1. Most of the executives in sectors where higher intellectual/technical skills are required such as Education, Health, Telecom and Financial sector, are more aware of Corporate Social Responsibility (CSR) while those in sectors where less knowledge/skills are required, are lesser aware of Corporate Social Responsibility (CSR).

2. Awareness of CSR and, clarity of its meaning are both important for the executives and managers to understand its implications. Sector wise, it reveals that telecom-100 percent, Health-100 percent, Public enterprises-100 percent,
Education-92 percent, Financial sector-87 percent and SS Industries-80 percent have higher clarity about CSR while Hospitality-70 percent, Brick farm-67 percent and Private Enterprises-60 percent have lower clarity of CSR. While majority of the executives have the idea of what CSR is, only a few are fully aware and clear about CSR. It is also observed that majority have little idea only while 20 percent are unsure about Corporate Social Responsibility.

3. Profit is important for a business to survive, but profit should not be the sole aim of an enterprise. The present analysis aims to find out the understanding of the executives about the relationship between Corporate Social Responsibility and profitability. It is found that profitability and practice of CSR are positively related as 86 percent respondents revealed their positive relationship while only 14 percent have revealed negative relationship. Interestingly, Education service revealed highly negative relationship (33.30 percent) between profitability and CSR, followed by brick farms and health services.

4. Enterprises and service institutions use different strategies for implementation of CSR. Most of the Private Enterprises perform CSR through NGOs, as they do not have large resources whereas big services / enterprises with large resources set up Foundation Trusts for CSR implementation. It came to light that big enterprises/services have set up separate departments for CSR implementation.

5. Large corporate and Enterprises like financial institutions (65.2 percent), public enterprises (66.7 percent) earmark a certain amount of fund for CSR implementation annually. 86.7 percent of brick firms do not have separate allocation of funds for CSR implementation. Overall, 33 percent of
service/enterprises allocate fund for CSR and 67 percent do not have allocation of fund for CSR.

6. It is found that 44 percent contribute to Community Investment Initiatives, and 56 percent do not. Conservation of nature (75 percent), youth development (70 percent), games and sports (68 percent) are the most ventured areas. On the other hand, local heritage (30 percent), working for disability (31 percent), and poverty alleviation (32 percent) are the least ventured areas by service/enterprises.

7. Education is the most vital area for community initiatives by services/enterprises as this is the basis for development in all areas. 51 percent service/organisation are found to have promoted education and 49 percent do not have investment initiatives in the promotion of education. It is observed that all the educational institutions have the facility for subsidised education for the staff children. Financial sector, health and private trading are also contributing in this regard while hospitality services (71 percent), brick farms (manufacturing 86.7 percent) and telecom services (100 percent) do not invest in education even for its stakeholders.

8. 75 percent of service/organisation are found to have investment programme for conservation of nature while 25 percent do not invest in conservation of nature. Telecom and education services 100 percent contributed for the conservation of nature while financial sector (47.80 percent) as well as Private Trading enterprises 40 percent do not contribute/ invest for conservation of natural environment.

9. As a part of community investment initiatives, 42 percent of service/enterprises have investment programme for Infrastructure while 58 percent do not invest in
Infrastructure. Financial Institutions 69.6 percent is the highest contributor in this regard while Brick farms 66.7 percent and Public enterprises 66.7 percent invest for the development of infrastructure. Education and Hospitality sector are the lowest/no contributor infrastructure investment.

10. Brick farms are found to have motivated to practice CSR equally due to Image buildings, increase in profits and vision of the firm.

11. In health sector, the drivers of CSR are equally shared by legal compliance. Vision and philosophy and rising international standard while increasing profits. Image buildings, increasing awareness and community pressure are also weak drivers of CSR.

12. Image building, vision and philosophy and legal compliance with 33 percent are important CSR drivers for public sector. While profits, international standard, awareness, increase, and community pressure do not influence CSR activities.

13. Telecom sector is found to be mostly influenced by vision and philosophy to undertakes CSR initiatives. The second driver is equally shared by Image building, rising international standard and increasing awareness.

14. Vision and philosophy and image buildings are the main drivers of CSR for Private trading enterprises (non-manufacturing) while international standard and community pressure do not influence CSR initiatives.

15. Manufacturing small scale industries and micro industries are driven highest by philosophy as well as image building (27 percent each). Community pressure does not influence CSR practice except in the health sector (only 10 percent).
16. Money is found to be the most provided resource with 46 percent for CSR practice, 19 percent in kind, 17 percent as loan, 16 percent provide volunteers and 2 percent only provides other types of resources. Among the Service/Enterprises, Private Trading Enterprises provide money with the highest percentage of 80, 67 percent by Public Enterprises and Telecom as well as small scale industries provide money with 60 percent each. With 2 percent, Health Services is the lowest provider of money for CSR practice. Brick Firms provide resources in kind with the highest 60 percent for CSR practice. Health service and Education sector provides volunteers the highest with 60 percent and 50 percent respectively and Financial Institutions provide loan to the needy, with a high of 70 percent.

17. 44 percent of the service/enterprises are found having a support system in place. Another 45 percent have support system as and when it is convenient. 11 percent do not have any support system for employees welfare, other than, paying their daily wages. Public enterprises 100 percent, along with financial institutions 78 percent reported have support system for employee welfare while brick farms 27 percent and small scale industries 20 percent do not have any support system for employee welfare.

18. 66 percent of the respondents of service/enterprises have the willingness to pay higher price for products of the companies, who practice CSR, while 34 percent do not have the willingness. Public enterprises and Telecom 100 percent service providers are willing to pay a little more price for the products produced by CSR practicing companies.
19. Small industries 53 percent and Education 42 percent are not willing to pay higher price. They feel that companies should bear the cost for CSR expenditure and should not transfer the cost of practicing CSR to the customers.

20. Majority of Financial services (69.6 percent) have willingness to pay higher price for products of CSR practicing companies, while 30.4 percent would not.

21. Hospitality services (71.4 percent) would like to pay little higher price for products of CSR practicing companies and remaining 28.6 percent are not willing.

22. Majority of health services with 70 percent would pay higher price for products of CSR practicing companies. While 30 percent would not pay higher.

23. Of all the service/enterprises, 99 percent agree that CSR practice promote corporate image.

24. 97 percent revealed that CSR practice is done solely due to organisational value, culture, mission and goals and 3 percent are indifferent in this regard. Interestingly, 49 percent respondents disagree that companies/organisations practice CSR due to pressure from stakeholders, 40 percent are indifferent and only 11 percent agree that CSR is practiced due to pressure from the stakeholders.

25. Practice of CSR promote in increasing financial efficiency, is agreed upon by 74 percent of the respondents, 25 percent indifferent and only one percent do not agree.
26. CSR practice gives competitive market advantage. This is confirmed by 83 percent of the respondents. There is no one disagreeing to this fact, while 17 percent are indifferent.

27. The binominal test shows that there is significant relationship between profitability and CSR activities. The data is found to be more skewed towards the ‘yes’ option with 86 percent respondents revealing that profitability is the main driving force to undertake Corporate Social Responsibility activities. Therefore, the null hypothesis has failed to accept and the research hypothesis is accepted.

28. Only 17 percent of the organizations have their own separate department to implement CSR. About 17 percent respondents accepted that CSR is managed by the concerned line departments. The least used strategy, identified is CSR implementation by engagement of foundation/trust is 10 percent. A significant 56 percent of the service/organisations implemented CSR activities through local NGOs.

29. The chi-square test revealed that allocation of fund for CSR implementation and award for CSR activities are independent of each other.

30. Of all the service organisations only 32 percent evaluate CSR activities while a majority of 68 percent do not evaluate.

31. In financial institutions, a majority of 57 percent evaluate CSR implementation. Public enterprises 67 percent and telecom services 60 percent also evaluate CSR activities of their firms.
32. Majority of the education services along with hospitality, brick firms, health services, private trading, and both small and micro industries do not evaluate CSR activities.

33. It is found that there is significant relationship between the practice of support system in the organisation with the type of organisation.

34. In public sector enterprises there is 100 percent support system always. 78 percent of financial institution, 60 percent of health services as well as telecom services, and 50 percent of private trading enterprises, have well established employee support system.

35. Education services 75 percent, brick firms 73 percent, small manufacturing firms 53 percent and hospitality services 57 percent extend time to time support system. There is no regular support system for employee welfare.

36. There are few service/enterprises who do not have any support system for employee welfare. They include small manufacturing firms 20 percent, Private trading enterprises 10 percent, brick firms 27 percent, hospitality 14 percent and financial institutions 9 percent.

37. It is found out that there is no significant relationship between type of organisation and practice of stable labour relation policy.

38. Financial institutes, education, brick farms, health, public sector enterprises, trading enterprises, telecom and small manufacturing enterprises have stable labour policies, while a large percentage of brick farms and hospitality services sometimes, practice labour policies. In these firms, the chances of hire and fire system are found high.
39. All services/enterprises adopt the policy of preserving diversity of opinion and background education, telecom and small manufacturing sectors keep higher emphasis on this aspect. Health sector is found more conservative with diversity policy.

40. It is found that there is no significant relationship between the friendly office layout policy in the organisation with the type of organisation. All the organisations have this policy.

41. Internal communication is very highly developed in the sectors of finance, health, PSUs, telecom and private trading organisations.

42. Management briefings are highly used in the sectors of finance, education, hospitality, brick farms, health, private trading and small manufacturing.

43. Out of all the sectors, all other sectors except Brick Firms are organising awareness programmes through ‘Training and Awareness Programmes’, ‘Internal Communication Programmes’ and ‘Management Briefings’. It is clear from the study that nearly half of the respondents revealed that there are no programmes or media for CSR awareness in their organisation. PSUs revealed the highest percentage of awareness programmes with 89 percent while Brick Firms is the lowest with 38 percent.

44. **Factor 1- CSR to community**: A Community consists of individuals, groups, organizations, families etc. They all are the members of the society. They interact with each other and are dependent on each other in almost all activities. There exists a relationship among them, which may be direct or indirect. Business, being a part of the society, also maintains its relationship with all other members
of the society. The researcher notes that the benefits of community from CSR with variables 1, 2, 3, 4, 5 and 6, have loadings of 0.779, 0.754, 0.705, 0.586, 0.535 and 0.445 on factor 1; this suggests that factor 1 is a combination of these six variables.

45. **Factor 2- CSR to employees:** Business needs employees or workers to work for it. These employees put their best effort for the benefit of the business. Therefore, it is the prime responsibility of every business to take care of the interest of their employees. If the employees are satisfied and efficient, then only business can be successful. In the case of factor 2, the variable seven, eight and nine have loadings of 0.849, 0.812 and 0.766 respectively. This indicates that factor 2 is the combination of these three variables.

46. **Factor 3- CSR to customers:** No business can survive without the support of customers. As a part of the responsibility of business towards them, the business should provide the following facilities. In case of factor 3, the variables 10, 11 and 12 have the loadings of 0.829, 0.806 and 0.619 respectively. This suggests that factor 3 is a combination of these three variables.

47. **Factor 4- CSR to natural environment:** The effectiveness of an individual depends on the work environment in which he operates. Business activities are governed by the rules and regulations framed by the government. In case of factor 4, the variables 13, 14 and 15 have the loadings of 0.821, 0.808 and 0.396 respectively. This indicates that factor 4 is the combination of these three variables.

48. The factor, CSR to Natural environment has greater mean scores of 4.37, which is considered an important factor for practicing CSR in comparison with other
factors. The other factors, which have a high influence on CSR, are employee factors with mean scores of 4.16. There are many other factors initiating CSR, which are providing benefits to the stakeholders like Customers and Community with mean scores of 4.04 and 3.27 respectively.

49. The stepwise bivariate correlation analysis of all factors to find out Pearson’s Correlation Coefficients of CSR to Community with a two-tailed significant test. It revealed that there is a high positive correlation between CSR to Customers and CSR to Community with ‘r’ value of 0.566 at 0.01 significant levels. It is also seen that there is positive correlation between Community and Natural Environment factor as well as Community and Employees with ‘r’ value of 0.366 and 0.314 respectively. This means that there is situation of multi-collinearity among the 15 independent variables.

5.2 Suggestions

The present chapter presents suggestions to the various services and business enterprises both governmental and non-governmental organizations to promote better relationships between these services/enterprises and society in general and the various stakeholders in particular. Corporate Social Responsibility can be classified as those policies, activities, or behaviour undertaken by an organization that goes beyond the traditional economic and legal obligations that the firm has with its target internal and external stakeholders. Corporate social responsibility is more than a business policy or a response to issues raised by society. It is a governing business philosophy. Responding to the ethical obligations must be voluntary in nature and if undertaken effectively should eventually benefit and improve the overall welfare of the community in which the firm operates. The following are the suggestions:
1. Identification of reasons and benefits of practicing Corporate Social Responsibility in different sectors of business can have a scope for further research along with development of company ethics programme, integration of business ethics and ethics training to the staff.

2. A study involving other independent variables such as Corporate Reputation, Organizational Climate, and Sustainability can be undertaken to find out its effect on Corporate Social Responsibility.

3. Further study may focus on identifying and comparing the perception of line managers, staff managers, and employees on Corporate Social Responsibility practices of the company.

4. Future study can look into Corporate Social Responsibility practices and Business performance of product oriented or services oriented companies in Manipur.

5. Identification of programs and policies to enhance Corporate Social Responsibility practices is also a relevant area of research.

6. Companies and organisations should integrate social entrepreneurship into their core culture by actively channelizing their research and development capabilities in the direction of socially innovative products and services.

5.3 Conclusion

Until late in India, the mission of business firms was exclusively economic. But, with the business environment being characterized by various developments including the shift of power from capital to knowledge, increased levels of literacy, and, the shrinking of geographical boundaries due to faster means of travel and communication, people are, by and large, becoming conscious of their rights, which has led to a rise in the expectations of the common man from business in Manipur also.
An organization receives inputs from society in the form of skilled / unskilled labour, raw material and natural resources like air, water and space for its operation and, in turn, offers goods and services to society. Thus, businesses depend on society for further existence and it is, in their interest to take care of society. It cannot operate either in isolation or in vacuum. Like individuals, businesses also need to live in the real world, i.e., in society. Therefore, to be successful in business, companies also need to look after the basic needs of the society, minimise harmful effects to environment, contribute in nation-building and comply with the law of the land.

The study and overall analysis reveals that concept of corporate social responsibility is gaining prominence from all avenues in Manipur. Contrary to the general awareness of the term, many of the managers and executives of services/enterprises in Manipur are not fully aware of CSR. Not only the less educated and less informed managers of micro industries, as well as many of the executives of high profile enterprises are not fully aware of CSR practice. Organizations must realize that government alone will not be able to get success in its endeavour to uplift the downtrodden of society. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. It stems from the desire to do well and get self-satisfaction in return as well as societal obligation of business. Corporate Social Responsibility practice can have a financial impact on the service/enterprise and it is necessary for the managers/executives to understand the implications of CSR. It would be better to educate the managers/executives about the implications, in turn; they can give the awareness to its staff and employees. In the era of information, everyone knows who is doing what, and what implication it is giving to the society due to the operation of a certain business. Likewise, all will support enterprises who are contributing towards
the betterment of the society and its interest will be served whereas those enterprises will be isolated in the long run that is harming the interest of the society.

In addition to people-focused activities, current CSR activities in India, particularly in Manipur also tend to focus on improving society and protecting the environment. Society-related CSR activities largely focus on giving back to others in some way, such as helping the underprivileged by providing them food, water, shelter and medical care. An organization has a responsibility towards the society and towards its people. They should work towards uplifting the people in society by giving them basic amenities. Environmental-related CSR activities include treating factory waste properly to avoid harming the natural environment. It is also found that the environment impacts a large number of people, therefore CSR activities should focus on environmental welfare. In India, treating factory waste is a major problem. Unlike developed countries, India’s legal system does not monitor whether or not factories are treating their waste properly. Therefore, even those activities which are required by governments in developed countries are considered a form of social responsibility in a developing country like India.

CSR activities are primarily inspired by Gandhi’s concept of social trusteeship and thus focus on the well-being of employees and the common man. This focus is likely also due to the nature of the industry and the fact that India is a developing nation. Manufacturers who can focus on social responsibility do so to take care of employees. Moreover, India is still struggling to provide basic amenities to all of its people. Also, Indian factories particularly in Manipur lack the resources needed just to treat their employees well; then carrying out CSR along is a difficult task for them.

Indeed, it is evident from the study that western concepts of CSR do not necessarily translate to a developing country like India, which is currently struggling simply to meet economic, legal and ethical responsibilities. Thus, it is not surprising
that in India, CSR equates to the basic needs of taking care of people, society and the environment, rather than philanthropic responsibilities. Perhaps, when India becomes a fully developed nation, companies may have the luxury of engaging in the philanthropic responsibilities.

As mentioned in Chapter I, many authors have defined CSR, but there is little agreement as to exactly what CSR is. Moreover, most of the CSR definitions in literature are based on practices of companies in developed countries. To date, there is no definition of CSR as it is practiced by firms in developing countries. This study, addressed this gap, in the literature by seeking to understand what CSR means in the context of a developing country. Based on the findings of this study, in the context of Manipur, Corporate Social Responsibility can be defined as a firm’s commitment to adopt policies and conduct activities that have a positive impact on employee welfare, society, and the environment. Moreover, CSR must not be engaged in solely for profits. However, in order for firms in the state to accept the idea of CSR, it should be economically sustainable and result is either direct or indirect financial gains. Thus, from the above analysis and from the respective tables in the chapters, reflect and, leads explorations to the exact ends- Corporate Social Responsibility in Manipur.