Chapter 2

Research Methodology

2.1 Research Problem

The research is aimed at “To evolve a method of reporting for social expenditure incurred by business organizations so that the information to the users / stakeholders becomes “impact measurable” thereby, becomes more meaningful & relevant.”

Since social reporting practice is getting more & more adopted by many companies there is a great need to come out with an
appropriate method for reporting which may cover quantitative & qualitative aspects & also measure the impact of such contribution. There is no proper method or set of methods by which corporates or organizations can exhibit information so that the users of information can comprehend the information and interpret the “spending effects” objectively.

2.2 Objective of the Study

The main objective is to develop an impact measurable” reporting format

1. To examine the social reporting practices of private sector companies.

2. To analyses the extent of corporate social disclosures in Indian companies.

3. To understand the objective of making social contribution.

4. To evolve a suitable and meaningful framework for “impact measurable” reporting practices.

5. To understand managerial perspective for social expenditure.

6. To evolve a CSR framework for meaningful reporting.

2.3 Limitations of the study

1. The study is based on secondary data taken from annual reports & so accuracy of data is dependent on the same.
2. The researcher does not have any access to internal CSR details of the company & the details are taken from Companies website.

3. The study is based on the survey among Managers perception for CSR.

2.4 Research Plan

1. To explore the Social Responsibility thought & bring the perspective into the study. In order to do that the study involve the conceptual aspect of CSR as well as status of CSR in India. At the same time factors needs to study for social Responsibility Practice. This is required to enable for arriving at understandable reporting framework.

2. To undertake the literature review on CSR as whole in general & the dimensions such as Social Thought, Social Activities, Social Reporting in particular. This will help to generate the right perspective for formulating the appropriate reporting framework.

3. It is required to study various reporting practices in corporate world therefore the purposive sample of 100 companies registered at National Stock Exchange were taken. Further, stratified sample of 50 companies which are part of the NSE Index called (NIFTY) & random sample of 50 companies out of Non Index list of companies. The study will involve areas of social activities by the companies. The types of reporting & amount of expenditure incurred on the
areas. The study would also involve the analysis of the 2 categories of companies i.e. Part of NSE index & not part of NSE Index with respect to CSR information, reporting formats, CSR areas & analytical comparison will be made for the same.

4. The study would also undertake the formulation of ratios with regard to social expenditure visa viz Profit After Tax & Sales. The study would also undertake comparison of 2 class as above about CSR spending as well as major heads of social expenditure & comparative analysis would be made between 2 classes of companies. It will take the data of 50 (Nifty) & 50 (Non Nifty) companies for a period from 2001 to 2011 i.e. for 10 years. This will take into account all the companies as suggest above being part of National Stock Exchange. The statistical significance would also be carried out by formulating appropriate Hypothesis for various heads of social expenditure between two classes of companies. The t-test would be operated on the data.

5. It is important to understand perception among the managers with regard to CSR & its reporting. For the purpose a random sample of 400 managers would be considered for managers working in the companies. Out of 400 purposive sample of 200 Male manager & 200 Female managers a structured questionnaire would be designed & with 15 questions with regard to CSR activities & reporting. A descriptive statistic arrive at for the sample. An, appropriate hypothesis would be formulated & in order to test the hypothesis the t-test would be performed.