CHAPTER-III

RESEARCH DESIGN

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3.1 Outline

The following chapter provides an overview of the research methods employed, beginning with the quantitative research. To arrive at a suitable methodology for a study is crucial as it can be challenging for its implementation. There is constant debate on the superiority of qualitative approach than quantitative approach, although both the approaches have their strengths and weaknesses. The determination of research study’s method of inquiry must depend upon on the research question, but in reality, researchers’ convictions and training play a crucial role in choosing the research approach. The following sections explain about the review of literature, need for the study, and scope of the study, research methodology, and data methods (collection and analysis). It begins with the exploration of existing literature on the subject.

3.2 Review of Literature:

The review of literature is required for the purpose of determining the smooth contours for finding the right direction for doing the research. The review of literature helps the researcher not only in identifying the research problem but also in the formulation of the hypotheses and the use of appropriate statistical tools in solving the research problem. Precisely, it can be said that by reviewing the literature the researcher can identify appropriate methodology, research design, methods of measuring concepts, analysing techniques and past field observations to lighten the darkness of chosen field.

The literature surrounding CSR is extensive. A number of scholars have developed wide range of concepts and perspectives that attempt to explain the development of CSR. The present literature review is an effort by the researcher to provide the details about the research studies conducted in abroad as well as in India. It represents the literature gathered from various articles, PhD theses, and research projects conducted by various organizations.

In the early 19th century Industrial revolution turned the history of civilization. The major driver for this revolution was to improve their lives, human’s ability to utilize resources. This revolution transformed the predominantly agrarian, rural societies of
America and Europe into industrial and urban. During this era fundamental changes occurred in agriculture, textile and metal manufacture, and transportation which in turn reflected on the economic policies and the social structure in England and later in USA. Prior to Industrial Revolution production was confined to homes, using basic machines or hand tools. Industrialization marked a shift to powered, special purpose machinery, factories and manufacturing on a large scale. A pivotal role was played by iron and textile industries, with the development of steam engine, which also had an impact on the transportation, communication and banking. Increased supply of food and raw materials, as a result of advancement in agricultural techniques, and enhanced production and profits were all the factors that led to the industrial revolution. The interrelation among these, increased activity in one industry, paved way for the improvement in another. The industrialization, though brought about an increased volume and variety of goods and improved standard of living for some, had an adverse impact on employment and living conditions for the poor and the working classes.

The late 19th century itself witnessed the notion of social responsibility, whether or not to be taken up by the companies. The dominant thinking of business firms was only to maximise profits for the share holders. Industrialization and commercialization have explored vivid avenues of progress to the nations but at the flip side they routed the use of non-renewable energy sources, global warming, greenhouse gas emissions and rising levels of waste which have pernicious effects to the generation coming next.

Towards the dusk of 20th century, the business world faced two central developments—globalization and dominance of information technology which accelerated in the 21st century. Globalization resulted due to the collapse of the communist economies and the shift of countries towards capitalist economy. The dominance of information technology or otherwise information technology revolution, born and nurtured in US, has spread its wings through the internet.

Expansion of corporate activities internationally due to globalization has proved to be a double-edged sword for the nations especially developing, with the focus on maximising the benefits (employment generation, economic development) and at the same time minimising the negative impacts such as environment degradation. In the
face of high levels of insecurity and poverty, the backlash against globalization, ozone depletion and mistrust of big business, the pressure is mounting on business leaders and their companies to deliver wider societal value. Society’s expectations have increased and corporate forced to play a major role in improving the quality of life of the society as a whole.

Corporate are considering them as an integral part of the society and acting accordingly in a socially responsible way that goes beyond economic performance. As a result of this shift from purely profit to profit with social responsibility, many corporate are endorsing the term, “Corporate Social Responsibility”. Corporate social responsibility is internal to a corporation; it dictates the way in which it has to carry out with respect to the civil society. It is a concept whereby companies integrated social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

3.2.1 Studies conducted abroad:
The concept of corporate social responsibility though started to gain momentum in the later part of 20th Century but it has a long history in both the east and west under the name of philanthropy. The publication by Howard R. Bowen of his landmark book *Social Responsibilities of the Businessman* is said to mark the beginnings of the modern period of literature on this subject1. Bowen questioned about the responsibility that the businessmen have towards the society. He gave an initial definition of the social responsibilities of businessmen: “it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and value of our society”2. Bowen’s book is more concerned with the doctrine of social responsibility and is first of its kind and as Archie B. Carroll was very apt in terming Howard R. Bowen as the “Father of Corporate Social Responsibility”3.

Morrell Heald gave an interesting discussion on the theory and practice of CSR that were being taken up by the businessmen during the first half of the twentieth century4. The other contributing works during this period include Seleksman’s Moral *Philosophy for Management*; Eells’ *Corporate Giving in a Free Society*. 
The decade of 60s observed expansion of CSR literature. Keith Davis defined social responsibility as “businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest.” Davis debated that corporate social responsibility would provide returns in the long run, whose perspective was endorsed in the late 1970s and 1980s.

The 1970s witnessed increasing mention of corporate social performance as well as corporate social responsibility. S. Prakash Sethi while explaining about dimensions of corporate social performance distinguished between the behaviours of corporate such as social obligation, social responsibility and social responsiveness. Lee Preston and James Post made an effort to move the focus of CSR to the public policy process in their article Private Management and Public Policy: The Principle of Public Responsibility. Carroll in his article “A Three-Dimensional Conceptual Model of Corporate social Performance,” pointed out that the social responsibility of business includes the economic, legal, ethical and discretionary expectations at different points of time. He voiced about the social issues that the organisation must address and also discussed about the organization’s mode of social responsiveness. Profuse theorization on and conceptualization of companies’ social responsibilities emerged from scholars in the fields of sociology, management and business ethics in the 1970s such as Johnson in 1971, Davis in 1973, Ackermann and Bauer in 1976 and Carroll in 1979. Carroll’s model proved to be immensely popular, and has been cited widely.

The focus on developing newer refined definitions of CSR gave way to research on CSR and a splintering of writings into alternative concepts and themes such as corporate social responsiveness, CSP, public policy, business ethics, and stakeholder theory/management, just to mention a few, in the 1980s.

Edward Freeman published his book on stakeholder theory in 1984. The stakeholder model suggests that a company’s responsibility is to satisfy stakeholders, rather than stockholders alone. Freeman, advocating and theorizing about the concept of stakeholder management, believes there is a link between a successful, sustainable business and the proper management of stakeholders; a business strategy that starts by moving beyond a single fiduciary duty to acknowledging and using the relationships that companies have with their unique set of stakeholders to shape companies
functioning according to “a different state of purpose”\textsuperscript{10}. Stakeholder management seeks to engage in a plurality of management approaches that have ethics and values at its core. By linking stakeholder management strategy to CSR, Freeman suggested a company should recognize a wider set of responsibilities through the identification of societal expectations.

Peter F. Drucker, though has written on CSR in 1954, but gave a new perspective on CSR in 1984 in his “new meaning of CSR”. In this article he explained about the first responsibility of business as making enough profits to cover costs of the future. He contended that if this responsibility is not met then no other responsibility is met. Business can discharge its social responsibility by converting them into its opportunities.\textsuperscript{11}

Philip Cochran and Robert Wood, in “Corporate Social Responsibility and Financial Performance” used Moskowitz’s reputation index to measure the relationship between corporate social responsibility and financial performance\textsuperscript{12}. Building on Carroll’s work, Wartick and Cochran ventured to formulate a general model for corporate social responsibility. In 1985 Steven Wartick and Philip Cochran, extended Carroll’s CSR model to include other three facets of performance of corporate social responsibility into a framework of motivating principles, behavioural processes and policies initiated by organizations in relation to its external environment\textsuperscript{13}.

Along with exemplifying corporate social responsibility, Epstein defined Corporate Social Responsiveness and business ethics and brought them together which he called it as Corporate Social Policy Process. Alternative themes to CSR that developed during 1980s were stakeholder theory and business ethics. Edward M. Epstein, in an effort to relate social responsibility, responsiveness and business ethics gave an explanation about CSR. Corporate Social Responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon pertinent corporate stakeholders. The normative correctness of the products of corporate action has been the main focus of corporate social responsibility\textsuperscript{14}.

Jean Mc Guire et.al made an attempt to analyze the relationships between the perceptions of CSR of a firm and the measures of financial performance of the firm.
The firm’s financial performance is more closely related to corporate social responsibility and even the measures of risk are also closely associated with social responsibility. They made use of stock-market returns and accounting-based measures to assess the financial performance of a firm. One drawback of the empirical studies is that they failed to distinguish between past, concurrent and subsequent to CSR economic performance, and thus to make possible reliable inferences about direction of causation.

Eventually, the 1980s and 1990s saw the concept of corporate social responsibility evolve theoretically and receive much empirical attention and complemented the growing trend of theoretical focus on the environmental dimension. On the other side, by 1980s and 1990s, corporate giants had woken up to the fact that attempts were being made to regulate them and the corporate backlash began. The corporate meddling in the 1992 Earth Summit in Rio impeded the Summit’s aim of finding ways to halt the destruction of the natural environment and its resources. The climate changed suddenly negative to the corporations in 1995 when Shell was accused of complicity in the execution of activists in Nigeria. Suddenly corporations started to realize the importance of their public image and reputation. The need for a strategy to convince the public that the corporate could play a role which is valuable and meaningful within the ecosystem they occupied was identified by the corporate.

Following on from Carroll and Wartick and Cochran, Wood developed a complete model of corporate social performance built upon the issues of corporate social responsibility and corporate social responsiveness. The model is comprised of principles of CSR, processes of corporate social responsiveness and outcomes of corporate behaviour. The enunciation of the principles of social responsibility at the institutional, organizational and individual levels spells out the motivation behind human and organizational behaviour. The processes show the avenues through which companies act out their involvements with the external environment. The outcomes of corporate behaviour including social impacts, policies and programs make CSP for more pragmatic assessments. Wood explained that links between these three facets of CSP model help in new understanding of business-society relationships.
Donaldson and Preston expanded the stakeholder theory in which they stressed the moral and ethical dimensions of CSR, as well as the business case for engaging in such activity. They justified the stakeholder theory on the basis of its descriptive accuracy, instrumental power and normative validity. They argued that stakeholder theory cannot be supported on descriptive and instrumental grounds alone. The normative approach, which is the core of the stakeholder theory, examines the function of the corporation and identifies the “moral or philosophical guidelines for the operation and management of the corporation. Stakeholder theory develops implications of this model for describing the role of management, managerial practice, business ethics and describing the actions of the enterprise"\(^\text{17}\).

Clarkson’s long-term study of corporate behaviour indicates that companies maintain relationship with stakeholders, not society as a whole, and that CSR must distinguish between stakeholder needs and social issues; managers can address stakeholder requirements but not abstract social policy and the need to identify the appropriate level of analysis in order to evaluate CSP\(^\text{18}\). Clarkson makes it clear that the economic and social purpose of the corporation is to create and distribute increased wealth and value to all its primary stakeholder groups, without favouring any one group at the expense of the others. Managers must resolve the conflicts between primary stakeholder groups over the distribution of increased wealth and value created by the corporation. Resolving conflicting interests fairly requires ethical judgement and choice"\(^\text{19}\).

Thomas M. Jones made an attempt to augment the position of stakeholder theory as an integrating theme for business and society. The theory represents a synthesis of stakeholder concept, economic theory, insights from behavioural science and ethics. Jones contribution is unique that he relates the stakeholder model of CSR with a number of economic theories such as principal-agent theory, team production theory and transaction cost economies. Jones concludes that companies involved in repeated transactions with stakeholders on the basis of trust and cooperation are motivated to be honest, trustworthy, and ethical because the returns to such behaviour are high. Institutional approaches have also been used to analyze environmental social responsibility in his research"\(^\text{20}\).
In 1995 Hart applied CSR to Resource-based theory of Wenerfelt. The resource-based theory suggests that the resources which are costly to copy or imitate create a sustainable competitive advantage for a business. Hart relates this to environmental aspects of CSR and in particular discusses obtaining this advantage through three strategies, namely pollution prevention, product stewardship and sustainable development\textsuperscript{21}. Russo and Fouts on further application of Hart’s theory confirmed the evidence of positive relationship between a company’s environmental responsibility and economic performance\textsuperscript{22}.

Mitchell, Agle and Wood, forwarded the prominence of stakeholder theory by contributing to the theory the typology of stakeholders based on three attributes. By linking the three attributes namely, power, legitimacy and urgency they generated a typology of stakeholders, propositions concerning their salience to managers of the firm, and research and management implications. They contend that managers must know about entities in their environment that hold power and have the intent to impose their will upon the firm. Power and urgency must be attended to if managers are to serve the legal and moral interests of legitimate stakeholders\textsuperscript{23}.

Archie B. Carroll\textsuperscript{24} revisited CSR in 1999 and contemplated the definition of CSR. In his article he delineated the evolution of the CSR construct from the beginning of the modern era i.e. in 1950s to the 1990s. He chronicled the various works in defining the CSR of 1960s and 1970s. He mentioned about the works of various authors such as Davis, Mc Guire, etc., of 1960s, authors of 1970s such as Sethi, Walton, Preston and Post, etc. This article also throws light on how the research on CSR transitioned from definitional contribution to measuring and conducting research on CSR. The contributions of Jones, Drucker, Wartick and Cochran and Epstein are mentioned to illustrate this. Growth of alternative themes to CSR such as Corporate Social Performance, Stakeholder theory and Business ethics theory by 1990s are also featured in this article.

Windsor\textsuperscript{25}, inspected the future of Corporate Social Responsibility or the relationship between business and society in the long run. The researcher made an attempt to ascertain whether the organization and society will come closer to each other in the future or not and what will be the changing phase of CSR. The article provides a
developmental history of the corporate social responsibility notion from the Progressive Era forward to the corporate social performance framework and Carroll’s pyramid of corporate social responsibilities. The researcher has identified three emerging alternatives to responsibility i.e. economic conception of responsibility, global corporate citizenship, and stakeholder management practices.

Lance Moir envisaged about the definition of CSR in his article “What do we mean by Corporate Social Responsibility?” He questions about the nature of responsibility of the firms. In this article he reviews various definitions of CSR from both the perspectives i.e. literature and practice and tries to explain the reason behind such behaviour. The literature has strong divides between normative or ethical actions and instrumental activities. Finally, Moir, reviewed and discussed social contract theory and legitimacy theory as further rationale for the actions of managers in the CSR arena. The article concludes by questioning when instrumental activities become business activities rather than largely social responsibility.

Simon Zadek has developed a powerful tool that firms can use to evaluate which stakeholders and issues pose a greatest potential opportunity and danger. First, Zadek identified five stages of learning that organizations go through “when it comes to a sense of developing corporate responsibility”- defensive, compliance, managerial, strategic and civil. Then, Zadek combined these five stages of learning with four stages of intensity “to measure the maturity of societal issues and the public’s expectations around the issues”- latent, emerging, consolidating and institutionalised. The maximum danger is for the firms that are in the defensive mode when they are facing the institutionalised issues, as those issues are ignored by the firms which pose a significant threat to their business. In contrast, the firms that are promoting industry-wide adoption of standard practices in relation to a newly emerging issue face the maximum opportunity.

Tsoutsoura discusses about many studies that tried to determine if and how social and financial performances are connected. The researcher explained about two types of studies namely event study methodology to assess short-run financial impact of CSR and the other one using accounting or financial measures of profitability to look at effects in long term financial performance. Using a dataset which included 500
firms covering the years 1996-2000, the researcher explored and tested the sign of the relationship between corporate social responsibility and financial performance.

Porter & Kramer\(^{29}\) proposed a new way to look at business that does not treat corporate success and social welfare as a zero sum game. They pointed out that, in order to promote corporate social responsibility, not only need to root corporate social responsibility in the macro-understanding of relationship between corporation and society, but also need to link it with corporate strategy and operation activities; while the bridge between these two aspects is the stakeholder theory.

Matten and Moon\(^{30}\) conducted a study to address the question of how and why the corporate social responsibility differs among the countries and how and why the change. The study contends that the national differences in CSR are explained by historically grown institutional frameworks that shape “national business system”. The study assents that the nature and balance of explicit and implicit CSR not only result from overall institutional features of the national business system or the organizational field but also from the roles of corporations in shaping them.

Johanna Carlsson and Richard Akerstom’s\(^{31}\) contribution is a narrow study of a case study entitled Corporate Social Responsibility – a case study of Ohrlings Pricewaterhouse Coopers submitted to Lulea University of Technology, Sweden. This thesis is concentrated in figuring out why companies engage in CSR and how they apply the CSR and how CSR can affect financial performance. For this they have chosen a case study of the company Ohrlings Pricewaterhouse Coopers. The study consummates that the companies engage in CSR in order to increase their financial performance, gain a competitive advantage, improve the reputation and image of the company and satisfy customers who have started demanding the companies to engage in CSR.

Lorraine Sweeney\(^{32}\) attempted a study to analyse the relationship between CSR and financial performance among the firms in Ireland. The research differentiated between large firms and SMEs to determine the operational meaning of CSR and identify the nature, type and extent of CSR in Ireland. The study gave more emphasis on CSR in SMEs. The main obstacle faced by SMEs in carrying out CSR is time, followed by
cost and lack of human resources. At the same time the study also mentions that the SMEs are of the opinion that they should pay attention to their social and environmental responsibilities. The study concludes that when analysed directly there is a moderate positive relationship between CSR and financial performance where as when analysed indirectly CSR is found to have strong relationship with social reputation, employee attraction, motivation and retention and consumer attraction and loyalty but a weaker relationship with access to capital and business reputation.

Dan Zheng\textsuperscript{33} organised a study concerned with the perspective of employees’ perceptions as against the financial performance or consumer perspective in China. The study aimed at exploring the impact of employees’ perceptions of CSR on subsequent work attitudes and behaviours. The study indicates that there is a significant impact on employees’ work attitudes and behaviours. As CSR is contributing for improvement in employees’ attitudes and work, in turn, to corporation’s success, the corporations have to attach more importance to CSR in order to benefit employees.

Mr. Lei Wang\textsuperscript{34} studied on factors affecting the perceptions of CSR issues in multiple stakeholder realms, emphasizing on the determination of the effect of values of individuals on their perceptions regarding CSR. The study investigates the perceptions of CSR both at the emic (observing individuals and stakeholders) and etic levels (conducting cross cultural comparison. The researcher studies empirically values assessment and CSR evaluation of a wide variety of business activities covering CSR reporting, business ethics and three dimensions of CSR performance. The study’s outcome advocates that the CSR objective of corporation’s top management should be to manage the divergent and conflicting interests of multiple stakeholders, taking others than key stakeholders in to account as well.

Mr. Kevin Russell Adams\textsuperscript{35} conducted a study in Australia among top 500 companies regarding Corporate Social Responsibility and Stakeholder determination and reporting. The study tried to analyze senior management of Australian companies’ perceptions of which stakeholder group’s influence and what are the major motivations for, social information disclosures in organizations in Australia. The study also focused on whether such current financial reporting practices are sufficient
to capture the impact of an organization’s activities on society. The study concluded that respondents believe that stakeholders should be identified and that social information and the reporting of the social information to stakeholders is important and at the same time the current financial reporting systems are considered insufficient in capturing the impact of an organization’s activities and social impact. There is a requirement for a broader reporting system including the disciplines of human capital, environmental science and impact and community impact.

Tim West\textsuperscript{36} conducted research on CSR perceptions and practices in the pharmaceutical industry in Canada. The pharmaceutical industry is one in which safety and ethical concerns are of prime importance due to its dual role in the society as it is concerned with the development and distribution of healthcare products in a profit manner. The researcher focused on the examination of perception and practices of CSR within the pharmaceutical industry. It tried to gain an understanding of the senior managers’ perceptions of how and why their companies engage in CSR. Caroline Flammer\textsuperscript{37} in her research tried to examine the impact of CSR on financial performance. The study viewed CSR as a valuable resource for the company and leads to long-term superior financial performance. The study also tried to put forth that CSR–CFP relationship is influenced by both the company’s social performance and the institutional norms of CSR in the firm’s industry. The evidences found for this study suggest affirmative for these arguments. The final investigating result confirms that “doing good” pays off has potentially far-reaching implications for corporate decision making and strategic management and the particular feature of CSR is a win-win situation for every stakeholder.

Korthotage Kamal Tilakasiri conducted empirical study to investigate the relationship between Corporate Social Responsibility and company performance in a developing country – Sri Lanka\textsuperscript{38}. The researcher developed a CSR framework and as well an index to measure CSR performance. The study centred on examining the long-term relationship between CSR and CP using the developed framework and index. The research concludes that there is a significant relationship between CSR and CP.

Robert J. Hanlon’s\textsuperscript{39} study presents the corporate social responsibility and human rights activities conducted in the Asian Countries particularly China, Cambodia and
Thailand. The study asks why the discourse between the private sector and the civil society remains contentious in the matter of CSR and human rights violations by the industry is a business issue. The research claims the business case for human rights can be made by identifying the weak rule of law issues that hinder private sector growth and impact the bottom line. The study concludes that the industry perceives human rights as outside their sphere of influence, the debate on human rights is sidelined due to divergent stakeholder interests and a scenario of ‘race to the bottom’ where human rights are ignored due to the increased pressure of profit maximization.

3.2.2 Studies in India:
In initial years there has been little documentation about social responsibility initiatives as well as research on CSR in India. Anupama Mohan’s article on Corporate Citizenship: Perspectives from India, is first of its kind in India which is oft quoted by the researchers in India. The paper tries to probe in to the corporate citizenship ideologies and practices in India. The paper examines the transition of traditional corporate philanthropy or merchant charity of Indian business in to the social responsibility of business and corporate citizenship by observing the examples of current practices of both indigenous and foreign businesses in India highlights the trends of corporate citizenship. The practices followed by these companies coincide with the social and economic systems in which they are embedded and these practices may be distinct to the developing country’s context or reflect the conundrum of western and eastern approaches to corporate citizenship.

Bimal Arora and Ravi puranik applied a development-oriented framework to contextualize CSR to structural adjustments-related macro socio-economic issues relevant to the developing countries, with a focus on CSR in India. They put forward that despite benefitting from liberalization and privatization processes, the corporate sector has been lagging in the transition from philanthropic mindsets to CSR behind its impressive financial growth.

Environment Management Centre published an article mentioning the existing status of CSR in India. This article presents about the emergence of bodies whose focus is increasing on CSR issues. Corporate Roundtable on Development of Strategies for the Environment and Sustainable Development - Business Council for Sustainable Development (CoRE-BCSD) of India is a grouping of Indian corporate trying
collectively and individually to build in sustainable development concepts into their operations along with TERI, The Energy and Resources Institute. The *India Partnership Forum of the Confederation of Indian Industries (CII)* is also an active proponent of CSR. It encourages a multi-stakeholder dialogue for promoting CSR in Indian business, including policy issues with regard to creation of an enabling environment. The article also mentions about the CSR activities of these bodies and also the rewards of these activities. It also makes a mention of status of CSR in Asia along with America and European countries.

Raman* made a theoretical study, on Corporate Social Responsibility in India. This study aims to address the research gap of CSR or social reporting in developing countries and exclusively in India by conducting an exploratory study on how top management perceives and reports CSR. The researcher tried to identify the extent and the nature of social reporting in India.

Chaudhry & Krishnan* conducted a theoretical and empirical study to examine the impact of CSR and transformational leadership on brand communities.

Jonung and Malhotra* conducted an empirical study to study the attitude toward sustainable development and corporate social responsibility among future business leaders in Bangalore, India. The study majorly investigated the attitudes toward CSR among India’s future business leaders and results were discussed from a multinational corporation perspective.

Mahabir Narwal* conducted an empirical study on the CSR initiatives in the banking industry. The study was aimed at highlighting the various CSR initiatives undertaken by the firms in the banking industry which can help them to enhance their overall performance. The study has identified that the firms are mainly concentrating on education, balanced growth, health, environmental marketing and customer satisfaction as their core CSR activities irrespective of the location. The Indian banking industry is found to be adopting an integrated approach by combining CSR with the ultimate customer satisfaction.

Narwal and Sharma* made an attempt to explore the perceptions of the Indian society towards the corporate social responsibility. The study observed that in a market-led
economy, society took a skeptical view of CSR activities and expects a more responsible and ethical behavior from the corporate. There is every need for the further integration of the society and the business and the business has to reinforce the positive momentum to strengthen the confidence in the society.

Sanjay Pradhan and Akhilesh Ranjan\textsuperscript{48} made a theoretical study to explore the CSR practices in the backdrop of rural development. The study also examined the CSR initiatives taken for the development of rural areas and how did the corporate implement their CSR initiatives as a part of their business strategy. It tried to evaluate the impact of CSR actions of the socio-economic development of rural people.

Richa Gautam and Anju Singh\textsuperscript{49} attempted an exploratory study using secondary data to study Corporate Social Responsibility practices in India among top 500 companies. The study was endeavoured to explore the various definitions and descriptions of Corporate Social Responsibility along with development of CSR in India. The research examined how India’s top 500 companies are viewing and organizing their CSR, and also tried to map the key CSR practices identified against Global Reporting Initiative standards.

Saboji and Indira\textsuperscript{50} conducted two varied studies with respect to corporate social responsibility in India. The first one was on the analysis of corporate social responsibility of Indian firms. They tried to measure the status of CSR in India by taking into account the study conducted by Karmayog(2008). The research also focused on the CSR initiatives taken up by the Indian firms in achieving the different levels as per the Karmayog report. The second was taken up on corporate social responsibility and sustainable development. This study tried to understand the contribution of CSR to different dimensions of Sustainable Development (SD)\textsuperscript{51}. The study makes an attempt to understand the relationship between the CSR and SD in environment and social dimensions, while understanding this, the study also looks into differences in the behavior of the small and large firms in their contribution to SD through to CSR.

Ramendra Singh and Sharad Agarwal\textsuperscript{52} made a theoretical and empirical study towards investigation of CSR orientation of Indian Banks. The study attempted at addressing questions such as association of business metrics of Indian banks with its
CSR orientation and the CSR orientation as an alternate relationship marketing strategy. The study has indicated that CSR orientation of Indian Banks differs only based on ownership, number of employees, and date of its incorporation in the areas of Environment & Rural development (for ownership), Community Welfare, Environment, and Rural development (for number of employees), and Environment, and market place (for date of its incorporation). The CSR initiatives included the categories of education, health, community welfare, entrepreneurship development, environment, market place, and rural development. The second part of the study should be confirmed by the future quantitative studies as this was only a qualitative analysis of information shared by banks on its CSR activities and programs.

Amit Kumar Srivastava, Gayatri Negi, Vipul Mishra, and Shraddha Pandey\(^5\) conducted a notional study on CSR along with a case study of TATA group. The research focused around developing an understanding the CSR by delving into its concept and interpreting the scope of CSR by taking the case study of TATA group which has exemplified the sense of responsibility towards the upliftment of common masses and protection of the environment and the development of nation.

Caroline Van Zile\(^5\) contributed a research paper commenting on the mandatory CSR proposal in Indian Parliament. The article traces out the legislative, socio-political and legal history of the innovative proposal (which is now passed and enacted) rose in India- mandatory CSR spending for all businesses. Though there were many criticisms against this proposal, this paper suggests viewing it as a more productive attempt to navigate a difficult divide, unique to BRICS countries. This paper emphasizes the negative and positive aspects of the proposal and views it a new wave of “creative capitalist” solutions proposed by foreign legislatures to solve the problem of growing inequality in the wake of rapid economic growth. It sees this proposal as a beginning of a new wave of development in the realm of corporate social responsibility.

Sarabjit Singh Shergill\(^5\) discussed about the consumers’ perception towards the corporate social responsibility in India in his research paper. This paper tries to analyze the consumers’ expectations and perceptions towards the Corporate Social Responsibility by identifying the gap between the expectations and perceptions of the
consumers regarding the companies’ social responsibility. The study concludes that there exists a huge gap between the consumers’ expectations and perceptions towards the corporate social responsibility of the companies.

Eliza Sharma and Mukta Mani\(^{56}\) made an analysis of CSR activities in the commercial banks in India in their study. The study was conducted purely based on the secondary data available from the annual reports of the Indian commercial banks. The study provides that despite the efforts of the banks towards CSR there is a lot of emphasis to be given on CSR. The study mentions that there are certain banks which do not meet even the regulatory requirements. The study also says that public sector banks are far better when compared with the foreign and private banks in contributing to CSR.

Uvais .M and Hafeefa Cholasseri\(^{57}\) undertook a descriptive research to have a deeper understanding of the behaviour of the companies towards various aspects of social contribution and to light through the various dimensions of corporate social responsibility headed by Indian organisations. The study was based on the secondary data and concentrated on three major Indian organisations namely, Reliance, TATA and Infosys. The study focuses in general about the dimensions and challenges of CSR in India and specifically the CSR practices of the above mentioned companies.

Rajeev Prabhakar and Sonam Mishra\(^{58}\) presented a research paper based on an exploratory study of CSR status in India. This paper gives an insight in to the extent to which companies can follow the CSR and also on CSR that would be of social and economic interest for Indian organisation which provides valuable information and suggestions on CSR practices and performance.

Abhishek Tripathi and Dr. Anupama Bains\(^{59}\) carried out a descriptive research on the CSR practices in small and medium enterprises in India. The researchers’ main objective was to have an understanding on the CSR practices in SME enterprises. The study has identified that many of the SMEs are unable to see the benefits out of CSR and the other SMEs with CSR practices are involved in the developmental activities taken up by the Rotary Club or Lions Club as many of the owners of these SMEs are involved with either of the clubs.
Ramendra Singh and Sharad Agarwal\textsuperscript{60} submitted a working paper on the CSR impact on the society. The paper discusses the concept of CSR in the Indian scenario, the issues and the methodologies to address these issues adopted by the Indian corporations. It throws light on the current state of CSR in India, its impact on the society and to measure the impact of society using CSR Impact index.

Saritha Moharana\textsuperscript{61} made an effort to study on CSR in selected public sector banks was taken up by. The study having chosen five selected nationalized banks, attempts to analyze the existing CSR practices. The study analyses that though the banks are taking up the CSR initiatives but are restricting themselves to certain fields such as Rural Development, Education, Community Welfare and Women. The contributions made by these banks for economic growth in India have created separate entities towards financial growth.

Namrata Singh, Ms. Rajlaxmi Srivatsava and Ms. Rajni Rastogi\textsuperscript{62} used descriptive research design to study the CSR Practices and CSR reporting in the banking sector in India. The study with the use of secondary data tried to make comparative analysis between public sector and private sector banks. This study tries to enlist various initiatives taken by the four banks majorly i.e. two from public sector - SBI and Punjab National Bank and two from private sector – HDFC and ICICI in the current era with respect to CSR and its reporting along with its future scope. This paper also traces out the CSR phases in India in brief and also the current CSR status in the banking sector. The paper consummates that though the banking sector is forward with CSR initiatives as per the priority whereas the banks are not still disclosing their amounts in their websites. The paper also suggests for a proper monitoring by a committee on the working of the banks as such the banks can work for profit along with the contribution to the society.

Deepika Dhingra and Rama Mittal\textsuperscript{63} in their descriptive research on CSR practices in Indian Banking Sector tried to give an insight in to the common core thrust areas of CSR practices observed in both public and private sector banks. However the reporting of these varies in both banking sectors. Though both the type of banks are into social welfare, public sector banks concentrate on rural development and removal of gender inequality whereas private sector banks concentrate on education and
employment for all and mitigating risk of environmental degradation through their green banking strategies.

Bhargav B. Joshi, submitted a thesis, which attempts to make an evaluation of social responsibility practices in selected corporate units. It is a study made to assess the attitudes of managers and the significant differences that exist, if any towards practicing corporate social responsibility in their organisations and the differences in their practices. The researcher aims at identifying the rationale for socially responsible management and societal challenges and management, how and why Indian managers are becoming more acceptable about positive practice of social responsibility.

Somsekhar Bhattacharya, in his doctoral thesis submitted, made an effort to develop a framework that links strategy with CSR. The CSR is a concept generated to compensate the negative externalities created by the business. At the same time due to the constraints faced by the businesses in handling the huge problems in the society strategic CSR has developed as an answer to these constraints. Strategic CSR is a set of activities which help social and environmental causes and benefits the business at the same time. This research tried to focus on building up of a CSR-strategy framework that helps in screening the strategic CSR activities from the non-strategic activities.

Shiban Khan has chosen the pharmaceutical industry for her research to study the corporate social responsibility from an emerging marketing perspective. This study is intended to determine the CSR in Indian setting from the pharmaceutical industry perspective which is distinct from its Western counterpart. The CSR perceptions and practices which stem from Gandhian ideology of social trusteeship unlike Western conceptualization which stems from stakeholder pressure, environmental concerns and integration in to core business. The study finalises that CSR in India is driven by internal forces and should be viewed differently from the Western point of view. The focus of CSR activities which range from healthcare, education, human resources training to development, is primarily on employees, employees’ families and followed by the community they live in.
Kedar Shukla\textsuperscript{67} conducted a study of CSR practices in the air conditioning industry. The study’s major focus on observing the CSR practices especially in the air conditioning industry which is highly vulnerable to the environment. The study concentrated upon the identification of approaches to CSR and the commonalities and differences that exist with respect to their approach. The research represents that the players in the industry are considering CSR is important for the society and all of them are taking socially responsible activities. The firms’ major focus is on environmental friendly product. The study also emphasizes the need for the code of conduct for the industry and also social audit because of the existence of unethical practices in the industry.

Megha Gupta\textsuperscript{68} organised a research to investigate the perceptions of Indian manufacturers of global apparel industry by. The research brings in the key issues of CSR, its benefits, challenges, need, size, role of auditing and road ahead to define CSR and to enunciate its role in the Indian apparel industry. Though the Indian apparel industry is moving forward in implementation of CSR, but full integration is happening at very slow pace. The research highlights that the current CSR activities in the apparel industry are principally people-focused, society-focused and environment-focused. The study also makes a mention that the implementation of CSR is affected by the size of the firm. The study stresses the need for creation of awareness among the owners and managers of the firms about the importance and benefits of CSR in this industry in India due to the illiteracy rate existing in the industry.

P. Satyanarayana\textsuperscript{69} in his research work aimed at reviewing the corporate social responsibilities models and the corporate social responsibilities of selected few companies. The study shows about the corporate social responsibilities of different companies and evaluates the perceptions of the employees and the beneficiaries on corporate social responsibilities. Five main criteria of relative importance namely, Environmental care, Education, Healthcare, Community involvement and Peripheral development have been considered for the present study. The study puts forth that the appraisal of CSR is important not only for the researchers to explore the relationship between different organizational variables and CSR, but also imperative for the stakeholders to employ social responsibility information in their decision-making process.
3.2.3 Research Projects on CSR across India and abroad:

The WBCSD published a report\(^70\) on CSR contributing to the debate on CSR representing the view of majority of its members. The report is concerned more about to what extent is the responsibility of business and also it represented a definition of CSR which has been used in this report by the researcher earlier. The report also gives the examples of CSR initiatives, taken up by various organizations across the world, inclusive of human rights, employee rights, environmental protection, supplier relations and community involvement, the other two related issues being rights of stakeholder and monitoring and assessing of CSR performance.

CREM\(^71\) (Consultancy and Research for Environmental Management), published a project report on the corporate responsibility practices of the Dutch companies in India. The project entitled Corporate Social Responsibility in India, Policy and Practices of Dutch companies was financed by the Netherlands Ministry of Housing, Spatial Planning and the Environment (VROM) and the Dutch Interchurch organisation for development cooperation (ICCO). The project aimed at identifying the policy of the Dutch companies (of different types - with direct activities, supply chain or investment in India) on CSR, practices and the obstacles in implementing such policy and find solutions for the companies. The report presents the differences in the perceptions of the Dutch companies and that of Indian perception. It also rises about the gap that exists in the CSR framework and the practices of the companies with their mother concerns in The Netherlands and the reasons for that. The report sheds light on the operational aspects, social aspects, environmental and economic aspects of CSR of these companies in India.

The Karmayog, a not for profit organisation and a networking platform for sharing resources as well as ideas has published CSR ratings in India of largest 500 companies for the year 2010\(^72\). The report helps in an understanding of different types of companies from various industrial sectors respond to global and local conditions which require responsible behaviour by all stakeholders. The report shows the levels at which the companies are performing their CSR activities. The report mentions that there is no single company which is at Level 5 in CSR ratings but at the same time the number of companies without CSR has been dropped. The report also presents about the sector-wise analysis of CSR. The report says that IT sector is the one which is at
the top by maintaining Level 4 CSR, followed by Banking Sector with more number of banks following Level 3 and the Construction Sector which is at the lowest level in maintain CSR initiatives.

KPMG published a report in India on corporate responsibility speaks about the evolving trends of Corporate Responsibility reporting in India. This report gives an insight in to the Indian CR reporting drivers, trends and benchmarks. It presents quantitative as well as qualitative reporting trends in India. The quantitative aspects consisted of Sector reporting rates, Disclosures in annual reports, Reporting Frameworks, Assurance and Data quality and the qualitative aspects consisted of Strategy, risk and opportunity, Materiality, Targets and Indicators, Suppliers and Value chain, Stakeholder engagement, Governance for CR and Transparency and balance. The report proposes that though there is an increase in the up-take of CR disclosures in India, but the quality of disclosures requires an upsurge. IT sector leads in quantity as well as in quality aspects in declaring separate CR reports whereas Financial Services sector is down with no separate CR reports quantity wise and the Pharmaceutical sector is poor in quality aspects.

3.2.4 Research gaps in the literature:
The literature reviewed above gives a picture about the level and extent of CSR in the developed countries and also the evidence of CSR in the developing countries which is quite different from the developed world. Researchers have identified the evidence of CSR, CSR policies and practices, issues and challenges, the benefits of CSR and the CSR model and responsibilities extended by organisations. The studies in India are extended only in identifying the existence of CSR practices by various organisations. Therefore there is a necessity to study the employees’ and managers’ perceptions on the existence of CSR in their organisations and what are their opinions about their organisations on the implementation of CSR practices.

Based on these research gaps identified in the literature, the present study aims at considering the following aspects in the development of this research problem.

1. Understanding the role and significance of CSR in Indian organisations.
2. Examine the perceptions of employees’ and managers’ on the CSR activities in the public and private sector organisations.
3. Investigate the employees’ and managers’ opinions on the CSR practices and the performance of CSR in their organisations.

3.3 Need for the Study:

India is a nation with multifarious differences. On one side it has strengthened as an important player in the global economy being one of the largest economies in the world, and on the other side, it still remains as a land of largest number of people living in absolute poverty. The emergent picture showcases of uneven distribution of benefits of growth. With increasing awareness of the gap between the rich and the poor, the society has increased the scrutiny in the contributions made by the companies to the society. Many companies have responded proactively to this development and some others have done by force. The inclusion of the CSR mandate under the Companies Act, 2013 is an effort to augment the government’s endeavour of equitably distributing the benefits of growth and to engage the Corporate World with the country’s development agenda. Societal pressure combined with regulation has cautioned the companies to pursue their CSR activities more professionally.

CSR in India has traditionally been considered as a philanthropic activity. In line with tradition, it was an activity that was performed but not contemplated due to which there is limited documentation on specific activities related to this concept. In this context it would be certainly important to study the CSR practices of the various companies, specifically when it has been noted that growth in the industry may affect adversely the environment and planet and given the mandate of CSR in the Companies Act 2013.

As part of their corporate social responsibility efforts, companies encourage their employees to volunteer for a cause during work hours under formalised employee volunteering programs. A recent global survey of 1,122 corporate executives suggests CEOs perceived that businesses benefit from CSR because it increases attractiveness to potential and existing employees. CSR is a form of corporate investment characterized by a dual orientation towards the improvement of social welfare and of stakeholder relations\(^\text{74}\). This fixate on stakeholder relations explains why employees, as a stakeholder group, influence CSR policy. First employees can act as agents for social change when they push corporations to adopt socially responsible behaviour\(^\text{75}\).
Next, environmental policy demonstrates that employees’ support is necessary to secure effective CSR programs and policies\(^{76}\). Last, employees as a stakeholder group perceive, evaluate, judge and react to CSR programs and actions\(^{77}\). There is also some evidence that CSR is beneficial because CSR improves employees’ perceptions of the company. When a company has CSR initiatives employees are more proud of and committed to the organization. Employee perceptions’ of CSR make unique and positive contributions to overall commitment.

Employees as a unit of analysis have received limited attention in past CSR literature. Not much of systematic effort was made in India so far to study the employee perceptions on the existence of CSR in the organisations and awareness of the CSR initiatives mooted by them. Hence there is a need to take up this research study to help organisations meet their needs in this direction. In view of the above, an attempt is made to work on a research study of this nature to understand the various aspects of corporate social responsibility with title “Corporate Social Responsibility: Perceptions, Practices and Performance – A comparative study of Public Sector and Private Sector Organisations”.

### 3.3.1 Rationale in selecting sample organisations:

CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into a company’s operations. It means satisfying the shareholders’ and customers’ demands while also managing the expectation of other stakeholders such as employees, suppliers and the community at large. CSR not only includes the activities that a company undertakes in order to utilize their profit to enable social and environmental development, but also includes the methods that a company employs in order to earn these profits including socially responsible investments, and transparency to various stakeholders among others. The basic objective of CSR is to maximize the company’s overall impact on the society and stakeholders while considering environment and overall sustainability.

Each company differs in how it implements its policies and programs. The differences depend on such factors as the specific company’s size, the particular industry involved, the firm’s business culture, and stakeholder demands. In the preliminary discussions of the research companies from one industry were chosen for the study.
However after discussing with experts in management and with professionals in CSR it was found to be justified in choosing the sample organisations for the study from different industries. While selecting these companies, efforts were made to select them from different sectors to get a comprehensive picture. The rationale behind selecting heterogeneous organisations is the scope; significance and practice of CSR are common across organisations and industries irrespective of their nature of business.

There are several factors identified for selecting the sample organisations for the study. Primarily in India, the concept of corporate social responsibility began in the form of charity and philanthropy influenced by Gandhian ethical model and later on by Nehruvian Statist model. The Statist model emphasis is more on the state ownership and legal requirements to decide corporate responsibilities. The period after 1990 witnessed more direct engagement of corporate in mainstream development of disadvantaged sections of the society. Since then, the society has been benefitting with several contributions and services, with international standards. It is in this context public sector organisations have been chosen for the study. Of these ITI industries, the first public sector unit of India has been selected for the study. ITI has contributed to 50% of the present national telecom network. ITI Limited Palakkad Plant situated in the State of Kerala specialized for Electronic switching equipments. With world class manufacturing facilities and International quality standards enjoying self certification, ITI is ranked best among Telecom field industries in India. Instrumentation limited, Palakkad is the second public sector organisation chosen for the study. Instrumentation limited, Palakkad is a major support for wide spectrum of industries ranging from large scale to medium and even to small scale industries. ILP conserves and earns foreign exchange and also plays a major role in making India self-reliant in turnkey instrumentation skills.

Second, the recent Companies Act 2013 has made CSR spending and reporting more stringent. A provision is made to constitute a special Corporate Social Responsibility Committee of the Board for companies having a specific profit layer. The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee (Ministry of Law and Justice, 2013).

Furthermore, Section VII of the Companies Act has considerably widened the ambit of CSR activities which now includes: Poverty eradication, promotion of education,
gender equality and women empowerment, reducing child mortality and improving maternal health, combating AIDS/HIV, ensuring environmental sustainability, enhancing vocational skills and social business projects, relief and funds for socio-economic development such as for welfare of SC/ST, OBCs, minorities and women.

It is essential to know whether CSR is absolutely for increased financial performance or to give something back to the society. This makes sense in selecting private sector organisations for the study. Of the two private sector organisations selected for the study as mentioned earlier one is PepsiCo India. With a mission of being a responsible corporate citizen is the only right thing to do PepsiCo India is a pioneer in the business as well as in its corporate social responsibilities extending to the society. This made the researcher to decide it as one of the sample organisation.

Third, the problems and issues confronted by the society today are huge and complex which government alone cannot be able to solve. Companies have various strengths such as talented people, good financial resources, technology and ability of geographical reach which has made them to involve in to the CSR activities. It is here the role of the corporate crucial for the development of the society. There is a growing consensus that companies and organizations have a social obligation to operate in ethically, socially and environmentally responsible ways. It is also believed that in addition to doing “no-harm” to the society, they also have a responsibility to contribute to its ‘well-being”. The public and private sector organisations are concentrating on corporate social responsibility besides complying with economic responsibility and legal responsibility. These factors necessitate making a study of the CSR practices of the public and private sector organisations. At the same time the role of the employees in the CSR programs is undeniable who are the most important in the implementation of these. This necessitates focusing on the internal stakeholders i.e. employees who may positively or negatively react to their CSR programs. The last sample organisation chosen for the study is United Breweries limited. In United Breweries limited CSR programs are not conducted as an impromptu humanitarian activity but as a sustainable effort to improve the quality of life of the employees and their families as well of the local community and society at large. This is the reason for selecting it as the sample organisation.

Fourth, the works of corporate sector in the social development has received high visibility in the country. However the practices and the perceptions of the employees
towards these practices have found little or no documentation in the Indian context. This phenomenon also focuses for the need to undertake research studies to understand the perceptions of the employees towards the CSR practices and performance from the public and private sector organisations. To sum up the above discussion it is important and necessary to conduct a research with a focus on the selected variables in the chart.

3.4 Significance of the study:

Today, the society as a whole and the media increasingly request the companies to consider social and environmental problems while doing business activities. Earning profits is a natural phenomenon of every business unit but social responsibility is an obligation to the people living inside and outside the organisations. In recent times, the CSR is emerging as a significant feature of business philosophy, reflecting the impact of business on the society in the context of sustainable development. This study focuses on the framework of CSR practices variables, focusing on employee perceptions of the practices which are important from both academics and industry perspectives. One, this study used data from public and private sector organisations which have their own uniqueness. Two, employees and managerial respondents’ perceptions are considered for evaluation. Three, focus on four dimensions of CSR that are most important for the organisations. Four, evaluation of practices and employee perceptions helps to understand the practices and performances as this area is concern for industry. This study results helps to understand, implementation of CSR practices within organisations that could benefit over time.

3.5 Scope of the study:

The scope of any concept or phenomenon or variable is very wide and embraces to make it boundary less. The concept of Corporate Social Responsibility has many connotations and perspectives. It is a herculean task to study the concept from different dimensions due to beyond the capability of researcher and constraints of time, resources etc. The scope of the present study covers the perceptions of employees regarding the CSR activities’ existence in the organisations and the practices adopted by the organisations and as well about the benefits due to the performance of CSR. These concepts are observed in the two selected public sector organisations and two private sector organisations. This empirical study emphasises on the awareness of employees with respect to the CSR initiatives carried on in the
organisations and employees opinions regarding the benefits of CSR initiatives delivered by these organisations and extends up to providing useful suggestions to managements for undertaking necessary measures for improved organisational effectiveness.

3.6 Research approach:
This study’s principal research focus is primarily of descriptive in nature, seeking to describe the CSR perceptions of employees, practices of CSR among the selected public and private sector organisations in India. As the previous discussions revealed, there is a dearth of literature explaining this phenomenon in the field. The present study is organised in a system of a procedure and techniques of analysis are applied to quantitative data. Analysis is a critical examination of the collected and compiled data for studying the characteristics of the object under study. In the present study data is collected and analysed statistically in order to predict or make inferences about the employees’ perceptions regarding CSR practices of organisations that have not been measured in full. The study is based on convictions and beliefs of the employees and such feelings at best are presented in words. The findings of the study are measurable and presented in figures. The research is based on two phases.

First review of available literature on the subject of CSR has been taken up to gain preliminary orientation, background knowledge and to update the knowledge. From the review, information relevant to study is extracted and the concept of CSR, the CSR practices in the selected organisations, the employees’ perceptions regarding CSR practices in the organisations, the benefits of CSR performance etc were identified. The hypotheses have been arrived at based on the above information.

Second, in order to focus on the CSR practices, employees’ perceptions and the benefits, a survey was conducted in the selected public sector and private sector organisations. The survey was conducted by means administering of structured questionnaire. In addition to the above activities, this research includes analysis of the survey responses, discussion in the light of the literature, leading to conclusions and suggestions.

In descriptive studies the first step is to define the objectives with sufficient precision to ensure that the data collected are relevant. The next section mentions about the objectives chosen for this study.
3.7 Objectives of the Study:
1. To understand the role and significance of CSR in Indian organisations
2. To study and analyse employees and managerial respondents’ perceptions on the existence of CSR in sample organisations
3. To investigate the awareness of employees and managerial respondents’ opinions on the environmental and community related practices of CSR in sample organisations
4. To analyse the knowledge of employees and managerial respondents on customer related and employee related practices of CSR in sample organisations
5. To evaluate the employees and managerial respondents views on the impact of CSR initiatives of selected organisations on their performance in general.
6. To provide suggestions to the organisations on the basis of findings.

3.8 Hypotheses:

Based on the objectives the following hypotheses have been formulated in order to plan the nature and scope of the investigation. The alternate hypotheses are mentioned here. This by default means that the null hypotheses are generated and considered for the study.

**Hypothesis 1:** There is significant difference between the managerial and employee respondents’ perception about the existence of CSR in the public and private sector organisations.

**Hypothesis 2:** There is significant difference between the managerial and employee respondents’ awareness about the environmental and community related CSR practices in the public and private sector organisations.
Hypothesis 3: There is significant difference between the managerial and employee respondents’ awareness levels about the customer and employee related practices in the public and private sector organisations.

Hypothesis 4: There is significant difference between the managerial and employee respondents’ perception on the impact of CSR performance on company performance among the public and private sector organisations.

This study adapted Marcello Pallazzi and George Stacher model’s dimensions of CSR to measure the managerial and employees’ perceptions of CSR. Managerial and Employee perceptions’ are measured taking in to consideration four dimensions i.e. environment, community, customer and employee stakeholders. The social identity theory, social exchange theory and organisational justice theory establish the relationship between the employee perceptions and organisational performance. The dependent variable organisational performance is taken from the studies of Devinney et.al. Here in the variable organisational performance, financial performance aspect has been purposefully avoided as the financial performance aspect has been studied by number of researchers. The aspects covered under organisational performance are improved market performance, improved relationship with stakeholders, improved employee motivation and reduced employee turnover and improved customer loyalty.

To define the relationship between systems of CSR practices, employee perceptions and organisational performance, in this process first, CSR practices first affects the employee perceptions which in turn affects the organisational performance.

CSR practices $\rightarrow$ Employee perceptions $\rightarrow$ Organisational performance

3.9 Period of Study:

The present study covers the period of time from April 2011 to March 2015. For the present study the researcher had started working on the concept and research problem from April 2011 onwards. With the passage of the Companies Act 2012, the collection of secondary data has been extended up to August 2013 and the research problem has been identified. The primary data collection was done during the period of January 2014 to December 2014 in order to observe the CSR practices in these organisations and also due to the busy schedule of the employees.
3.10 Operational definitions of variables:

**Corporate social responsibility:** Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

**Existence of CSR strategy and linkage with business & corporate strategy:** Strategic corporate social responsibility is a business strategy that is integrated with core business objectives and core competencies of the firm, and from the outset is designed to create business value and positive social change, and is embedded in day-to-day business culture and operations.

**Perception towards Sources of funding and decision making:** The extent to which the employees awareness about the sources of funding for the CSR activities and about the authorised person/department involved in the decision making about the CSR activities.

**Perception towards the drivers of CSR and information to the stakeholders about CSR in the company:** The extent to which organisation emphasizes in making the stakeholders to understand the drivers behind the company’s involvement in CSR activities and the dissemination of the information to all the stakeholders of the company.

**Environment related practices:** The extent to which the organisation is involved in the activities as part of CSR that are related to the protection and conservation of environment.

**Community related practices:** The extent to which the organisation is involved in the practices that are aimed at the benefit of the local community in which the organisation operates.

**Employee related practices:** The degree to which organisation is involved in the employment practices that are targeted to attain the satisfaction of the employees of the organisations.

**Customer related practices:** The degree to which organisation is engaged in the understanding customer needs and satisfy them through the practices that enhance customer relation with the organisation.
Organisational performance: It is defined as the ability of the organisation to improve its performance in achieving its goals and objectives. This study considered improved employee motivation, reduced absenteeism, reduced turnover, better relations with stakeholders (financial, government, community), increased sales and revenues, enhanced company reputation and corporate image as improved organisational performance.

3.11 Data collection Methods:

The task of data collection begins after a research problem has been defined and research design is prepared. The two types of data include primary data and secondary data. The use of multiple sources, interviews, questionnaire and documents gives the opportunity to obtain multiple measures on same phenomenon, which adds to the validity of any scientific research. For the present study data has been collected from both primary and secondary sources.

3.11.1 Secondary data:

Though primary data is of prime importance for a research, the significance of secondary data cannot be ignored. The secondary data is very much crucial in the identification of the research problem. It is essential in supporting the primary data. In the present study the secondary data has been collected from the company websites, industry journals, leaflets, magazines etc. The secondary data has also been collected from the company reports, reports from NGOs, newsletters and magazines published by the industry forum etc. The data thus collected gave general information about the organisations as well as specific information regarding the CSR practices in vogue in the selected organisations.

3.11.2 Primary data:

Majorly primary data has been collected from the respondents of the selected companies for the present study by administering a structured questionnaire. A structured questionnaire is one in which there are definite, concrete and pre-determined questions. The structured questionnaire used for the present study consisted of closed-ended questions presented exactly with the same wording and in the same order to all respondents, so that the respondents could select their response in each statement from those available rather than originating their own.
### Table 3.1

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of Questions</th>
<th>Adopted from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of CSR – drivers behind CSR &amp; communication to stakeholders</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Environment related practices</td>
<td>15</td>
<td>Marcello Pallazi &amp; George Stacher (1997)</td>
</tr>
<tr>
<td>Community related practices</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Employee related practices</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Customer related practices</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Organisational performance</td>
<td>17</td>
<td>Timothy M. Devinney(2009), Chen Hall &amp; Lang Field (2007)</td>
</tr>
</tbody>
</table>

*Source: above mentioned research studies and books*

#### 3.12 Development of questionnaire:

Questionnaire has been divided into two parts. Part I consisted of the general information pertaining to the respondents such as age, sex, designation, educational qualifications, experience, etc. Part II contained statements covering various aspects such as perception of the employees towards the existence of CSR initiatives in their organisations, various CSR practices administered by the organisations and their performance whether it is beneficial to the organisations or not. The number of statements used for the variables is mentioned in the table 3.1. Statements were presented in the same order to all the respondents. Statements required a response on a Likert’s five point scale ranging responses from ‘+2’, represent strong agreement through ‘0’, the uncertain response to ‘-2’ representing strong disagreement. Data was also collected by means of observation and interviews wherever found required. Data thus obtained was helpful in enhancing the validity and quality of the study.

#### 3.13 Data Analysis:

The quantitative data analysis at group level was conducted on the data collected through the questionnaires. The study used both descriptive and inferential statistics for data analysis. The present study uses descriptive statistics and ANOVA for the analysis.
3.13.1 Descriptive Statistics techniques
This study used Means and Standard deviation tests for arriving at meaningful and logical conclusions of data collected. The study used descriptive statistics to describe the demographic variables of managerial and employee respondents.

3.13.2 Analytical Statistical Method
To make inferences from the sample to the population strictures analytical statistical technique has been used. The statistical level of significance is accepted when the p value is less than 5% (0.05). The lower the significance level, the more the data must diverge from the null hypothesis to be significant. Therefore, the 0.01 level is more conservative than the 0.05 level. The significance level explains the probability of the result produced by chance is less than 5%, and the smaller the p value, the greater the likelihood that the result expressed is not merely due to chance. Ronald Fisher suggested 0.05 significant level means 5% probability occurring by chance, and then the finding can be accepted as statistically significant. This 0.05 level is typical for business research.

3.13.3 Analysis of Variance
Data thus collected has been analysed by applying ANOVA statistical tool and mean square method. ANOVA is essentially a procedure for testing the difference among different groups of data for homogeneity. There may be variation between the samples and also within the samples. ANOVA consists in splitting the variance for analytical purposes. It is a method of analysing the variance to which a response is subject into its various components corresponding to various sources of variation. The basic principle of ANOVA is to test for differences among the means of the populations by examining the amount of variation within each of these samples, relative to the amount of variation between the samples. Two estimates of population variance viz., one based on between samples variance and the other based on within samples variance are made. Then these two estimates of population variance are compared with F-test. This value of F is to be compared to the F-limit for given degrees of freedom. If the F value is equal or exceeds the F-limit value (to be taken from table values), it can be assumed that there are significant differences between the sample means. The higher the calculated value of F is above the table value, the more definite and sure about the existence of differences among the samples due to definite reasons. If the calculated F value is less than the table value of F then the difference is taken as insignificant.
Significant number represents the significance level of the given F-statistic. If significance \((p<0.05)\) then there is no statistically difference among the means. If significance \((p>0.05)\) then there is a statistically difference among means. It is an inferential test used to decide whether null hypothesis is accepted or rejected. The study uses ANOVA to test hypothesis relating to variables used here.

\[ F = \frac{\text{Estimate of population variance based on between samples variance}}{\text{Estimate of population variance based on within samples variance}}. \]

**3.14 Sampling Design:**
Stratified random sampling technique has been used for the present study. The population is divided into two homogenous groups or strata, i.e., one group from managerial cadre employees and the other group is from non-managerial cadre. From each group random sampling is drawn. In order to have uniformity in the sample from all the four organisations, 20 from managerial cadre and 100 from non-managerial cadre employees have been selected for the present study (Table).

Stratified random sampling is selected for the study as it will improve the representatives of the sample by reducing sampling error. It can produce a weighted mean that has less variability than the arithmetic mean of a simple random sample of the population. It will have increased statistical efficiency and provides adequate data for analyzing the various subpopulations.

| Table 3.2 |
|---|---|---|---|---|---|---|
| **Name of the organisation** | **Managerial Cadre** | | **Non-managerial Cadre** | | **Total Sample** | **% of Sample** |
| | **Total Managers** | **Sample** | **% of Sample** | **Total Employees** | **Sample** | **% of Sample** | |
| ITI Limited | 92 | 20 | 21% | 722 | 100 | 14% | 120 | 15% |
| Instrumentation | 58 | 20 | 34% | 402 | 100 | 25% | 120 | 26% |
| PepsiCo | 38 | 20 | 52% | 272 | 100 | 37% | 120 | 39% |
| UB limited | 32 | 20 | 62% | 192 | 100 | 52% | 120 | 53% |

*Source: Various documents from HR Departments of the Respondent organisations.*

**3.15 Limitations of the study:**
The study is focused at bringing out the qualitative aspects in a wider arena. This study is confined to four organisations two each from public and private sectors which operate with different objectives. The possibility of bias in responses cannot be
completely denied due to the busy schedule of the employees. The findings of this study may not be generalised to the entire public and private sector totally, as the structure and culture of the organisations is unique and their objectives also varied. As only two from each sector are being considered for the study due to resource constraints, the findings of the research can only be indicative of a possible trend.

3.16 Layout of the thesis:
This thesis is divided into nine chapters. The first chapter introduces to the concept of Corporate Social Responsibility and its various meanings and connotations. The chapter throws theoretical insight into the corporate social responsibility and its dimensions.

The second chapter relates to the brief profile of the sample organisations and the Corporate Social Responsibility practices carried on by these organisations.

The third chapter provides a review of literature on the development of CSR in and outside India. It also provides about gives the research design of the study, including objectives of the study, research methodology adopted along with limitations of the study.

The fourth examines the perceptions of employees regarding the existence of CSR activities in the sample organisations. It focuses on the awareness of the employees regarding the CSR strategy in their organisation and also on aspect of responsible person/department for these initiatives.

The fifth chapter deals with the perception of employees on the environment-related and community related CSR practices of their organisations.

The sixth chapter examines the customer-related and employee-related CSR practices in the selected organisations.

The seventh chapter deals with the perception of employees regarding the impact of CSR performance on the organisations. It speaks about the employees’ opinion on the benefits of implementation of CSR in the organisations.

The eighth chapter consists of the findings, conclusion and the suggestions provided for the effective implementation of CSR initiatives in the select organisations in future.
3.17 Further Scope for Research:
The present study concentrated mainly on the perceptions of the employees on the awareness of CSR initiatives in the selected organisations and the CSR practices held in them. The study may be further carried out in depth to find out the impact of CSR perceptions of employees on their attitudes, work life and satisfaction. The studies can be extended to the other public and private organisations to analyse the impact of CSR strategies on employees as majorly they are the key persons in implementing the strategies at the lower levels in the organisations.
References:

10. Ibid.,
19. Ibid.,


42. Retrieved from the below mentioned website on 20-11-14.


