Chapter I

INTRODUCTION
CHAPTER -I

1.1. INTRODUCTION

“Creating a strong business and building a better world are not conflicting goals; they are both essential ingredients for long term success.” – William Clay

Corporates and markets are not created by God or nature, but by the business man. Intention of business must travel beyond the walls of the rigid corporate structure flowing into the lives of the needy and the anxious. In fact, it must contribute to the growth of the society since a business enterprise is a growth stimulator of society. “The purpose of business is to serve the society,” so said one of the successful business legends of India, J R D Tata. Business corporations are perhaps the most influential organisations in society and have long been recognised as important contributors to the common good. Society, grants corporations unique privileges in order to harness their great capacities to serve its needs. Today, companies realise their responsibility to serve the stakeholder and society to whom they owe their existence. Millions of people lack in basic amenities and dwell in poverty: a situation that cannot be resolved by the government alone, which is the only hope of the people. But one single hand can’t make a sound. That is an adequate reason, for concerted action on the part of powerful corporations, those who contribute to make the difference in society. For example, in the 1940’s, the founding father of Aditya Birla group of companies Shri G.D.Birla espoused the ‘Trusteeship’ concept of management. With that motive, they started to invest part of their profits beyond business, for the larger good of society.

Corporate Social Responsibility (CSR) is not a new concept in India; it was practiced as an essential duty of individual or powerful people in society as “Dharma”, a philanthropic action. Normally philanthropy and responsibility are the basis for a strong establishment. These two critical thoughts are bipolar in nature. At one end, people interpret it as compliance with law; at the other end, it is philanthropic in nature. CSR is known from ancient time as a social duty or
charity, which has through different ages, is changed its nature in various broader aspects and is now generally known as corporate social responsibility.

The corporate social responsibility’s mission is donating some amount of their earnings for development of society. CSR was more widely accepted as a community based development approach for a long-time. For the past two decades India was adversely affected by issues relating to rising population, poverty, unhealthy, unsafe practices, illiteracy, unemployment, global warming and environment pollution. These had almost an irreversible impact on the Indian economic scenario.

The definition of CSR is reflected in the three words contained, “Corporate, Social, and Responsibility.” Broadly speaking, CSR covers the responsibility, of the business firm towards the societies they operate within. In a nutshell, CSR is a creation of value among the stakeholders. The term “stakeholder” means those on the firm’s activities directly and indirectly has an impact, were used to delineate as corporate owners beyond shareholders. “The CSR firm should strive to make a profit, obey the law, be ethical and be good corporate citizen”, Carroll [1991]. But now, CSR is the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company’s policies and actions.

1.1.1 Paradoxical Indian scenario

India is a country of ethics, beliefs and myriad contradictions. On one hand, it has grown to be one of the largest economies in the world and an increasingly important player in the emerging global order and the other hand; it is still home to the largest number of people living in absolute poverty and with the largest number of undernourished children. Some parts of India are still deprived of education, health and sanitation facilities. This uneven distribution leads to social unrest. There is a prevalent unevenness in development companies, which require close scrutiny. With increasing awareness of this gap between the haves and have-nots, this scrutiny will only increase over time and societal expectations will be on the rise. Many companies have been quick to sense this
development, and have responded proactively. While others have done so only when pushed. Government as well as regulators has responded to this unrest and the National Voluntary Guidelines for social, Environmental and Economic Responsibilities of the business or the NVGS and the CSR clause within the Companies Act, 2013 are two such instances of the steps taken. According to the Indian Institute of Corporate Affairs, a minimum of 6000 Indian companies will be required to undertake CSR projects in order to comply with the provisions of the Companies Act 2013, with many companies undertaking these initiatives for the first time. Further, some estimates indicate that CSR commitments from companies can amount to as much as INR 20,000 crores. This combination of regulation as well as societal pressure has meant that companies have to pursue their CSR activities more professionally.

1.1.2 Scope of CSR

The opportunities are ripe for companies in all sectors to take on a bevy of challenges, including health, nutrition, children’s survival and water. Many CSR projects in India are at the pilot level. SAP has organised corporate sabbaticals advising social entrepreneurs; Ford is experimenting with mobile health clinics; Microsoft has donated technology to health clinics; Vodafone sends 25 of its top employees to advise NGOs throughout the country. Retailers including PUMA and Marks and Spencer have opened “green stores” that certainly stand out in India’s exciting, bustling and polluted cities.

CSR, in its implementation part, involves a lot of challenges while building partnerships with various stakeholders. The corporate sector in India very often accuses the government for poor governance and their myopic view. Any CSR activity depends on the profits of a company, and fluctuations in profit can adversely affect their capability to continue their contribution for CSR. Other reasons can be limited human resource to implement, lack of professional approach and lack of transparency in CSR reporting. These are the obstacles faced by India, but there is still a light ray of hope in the corporate field. For example the two major corporates, Tata Consultancy Services and Bharti foundation, an arm of Bharti Enterprises announced a total expenditure of Rs.200 crores as part
of their CSR initiatives to construct toilets in schools under “Swachh Bharat” campaign. A company’s contribution towards CSR varies according to different geography and ethos. Some companies limit themselves to making an impact on the immediate communities around their factories, office and outlets. On the other hand, many companies strive to make their CSR-related impact on national or even international levels. Instance, the Indus Health plus bagged ‘Best Corporate Citizen’ award by ASSOCHAM for providing special discount coupons for senior citizens on preventive health checkups as part of their CSR.

1.1.3 Perception of CSR

Perception is the ability to pick out something through the different senses. The sensory stimulus of the human body consciously registers an activity or event in the human memory. Eventually perception, attitude is interrelated. A simpler definition of attitude is a mindset or a tendency to act in a particular way due to both an individual’s experience and temperament. Attitude is a complex combination of things. It can be addressed also as a personality, belief, value, behaviors, and motivations. Alfred Adler [1870-1937], a Viennese physician who developed the theory of individual psychology, emphasised that a person’s attitude towards the environment had a significant influence on his or her behaviour. Adler suggested that a person’s thought, feeling and behaviors were transactions with one’s physical and social surroundings and that the direction of influence flowed, both ways-our attitude is influenced by the social world and our social world is influenced by our attitudes. The attitude of an individual will differ when they play the role of the manager.

A manager is a person saddled with the responsibility of other people’s obligation. It means manager’s responsibility to accept both praise and blame is the right thing to do as a manager in their various positions. He / she play a critical and important role in the corporate survival. The manager motivates people bring out the best in them, which in most cases it sparks out innovative business idea. In the corporate world, attitude or perception of manager is an important component of a company’s performance and growth. Most probably, the managers don’t react to situations but respond to situations. Likewise, the
manager plays a considerable role to balance the both profit and society. So, the implication of CSR frameworks and the CSR continuum for managers are significant. Management must understand the legitimacy of the claims from their shareholders and other stakeholders and the power that each group has to enforce the claim [Carroll, 1991]. In addition, while compliance-based stakeholder perceptive of CSR may be the least costly, it may not be a sustainable position for many corporations in the current dynamic regulatory and social environments. A forced CSR position is a reactive response to social pressure and has no basis for sustainable competitive advantage. In addition, a forced perspective may result in long term reputation, management and strategic conflicts for the firm. Proactive corporations will tend to move toward a strategic CSR perspective, leveraging CSR to more efficiently or effectively create and renew competitive advantage. A strategic CSR perspective helps immunise the firm from subsequent pressure from NGOs and allows the firm to exploit its investments in CSR for the development of distinctive competencies, resulting in superior, sustainable performance. Eventually, the CSR conflict leads to the promotion of a social agenda that can be viewed in a positive way. Given that most agencies are interpreted as managers demonstrating self-serving behavior at the expense of the shareholder, it is somewhat surprising to know that the CSR conflict generates greater alignment of corporate and social goals. From a social welfare perspective, whether this conflict increases total welfare depends on whether firms have a relative advantage in contributing to society’s benefit. Perceptions of CSR guide the executive’s actions which in turn, expected to shape the organisational behavior and performance. To understand CSR, it is therefore necessary to understand how managers view the role of business in society through their ethical ideology.

CSR is framed to exhibit the corporate concern to stakeholder. But no way it is encouraging to perform when the firm is under financial crisis. Carroll. B. Archie [1991] framed the four components in a triangle like structure on CSR, where the basic components are economic, legal, ethical and philanthropic. It is similar like value, intentions, behavior and consequence which guide the human to act according to the situation (Rowley and Jennifer 2007). The author emphasised that our behavior is a reflection of our intentions and that these
intentions are a manifestation of our value system and finally values influences to think ethically. This will leads to understand the performance and consequence. Carroll created path of understanding on CSR, in which aspect manager is accountable to stakeholder. For example perception of the manager on CSR and its impacts of business behavior are visible across the four components of responsibility, whether in the provision of jobs, goods and services (economic), payment of taxes (legal), grease payment to bureaucrats and politicians (ethical) or social charitable contributions (philanthropy). The components of CSR are as follows:

1.1.3.1 Economic Responsibilities

The base intention of any firm is to make a comfortable profit to face shareholder and other requirement. In addition, CSR is forced to balance the triple bottom line like profit, people, and the planet. Corporate priority is profit, without profit the firm can’t think about CSR. The profit motive was established, as the primary incentive for entrepreneurship. Business organisations are the basic economic unit in our society. As such, its principal role was to produce goods and services that consumers need and wanted and to make an acceptable profit in the process. At some point the idea of the profit motive got transformed into a notion of maximum profit and this has been an enduring value ever since. All other business responsibility is predicated upon the economic responsibility of the firm, because without it the other becomes moot considerations.

1.1.3.2 Legal Responsibilities

Indian society is guided by mixed economy, when the individual can grow in their own way, but subject to the control of government. Business firms have not only sanctioned business to operate according to the profit motive; at the same time, business is expected to comply with the laws and regulations promulgated by federal, state and local governments as the ground rules, under which business must operate as a partial fulfillment of the “social contract” between business and society. Firms are expected to pursue their economic mission within the framework of the law. Legal responsibility reflects a view of “codified ethics” in the sense that they embody basic notions of fair operation as established by the
next layer of the pyramid to portray their historical development. But they appropriately co-exist with economic responsibilities as fundamental precepts of the free enterprise system.

1.1.3.3 Ethical Responsibilities

Besides economic and legal responsibilities companies embody ethical norms about fairness and justices ethical responsibilities which embrace those activities and practices that are expected or prohibited by society members even though they are not codified into law. Ethical responsibilities embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholder and the community regards as fair, just or in keeping with the respect or protection of stakeholders’ moral rights. Ethical responsibilities in this sense are often ill-defined or continually under public debate as to their legitimacy and thus are frequently difficult for business to deal with.

1.1.3.4 Philanthropic Responsibilities

Philanthropy encompasses those corporate actions which are in response to society’s expectations and that business will be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare of goodwill. Examples of philanthropy include business contribution to financial resources or execution time, such as contributions to the arts and educations, or to the community.

1.1.4 Ethical Ideologies

Bryonny Harrison, a psychologist interested in moral judgment, pointed out that his research was hindered by the lack of agreement among his subjects concerning what was moral and what was not. But even when people with apparently similar characteristics were making judgments about the same person, they still managed to somehow reach different conclusions concerning the other’s moral worth. A person’s judgment of morality would be based on his or her own ethical ideology and belief system. But recent research supported that individual system variations must be taken into consideration when examining moral judgment, they even differ from moral thought. Schlenker and Forsyth [1977] suggested that individual variations in approaching to moral judgment may be
described most parsimoniously by taking two basic factors. The first is the extent to which the individual rejects universal moral rules in favor of relativism. The second one is an individual variation in moral judgments focused on idealism in one’s moral attitudes.

The above said components are analysed in this study, in order to know what extent the components are influencing the perception of managers, who entrenched indifferent nature of business and ownership in Chennai.

1.2. NEED AND IMPORTANCE OF THE STUDY

Reputed companies in India have their own tradition, culture and management style. They may come from the “charismatic” influence of the founder, who determined the ethic of the business along with an economic goal. Even with successive generations the basics are not violated, but new policies and concepts are framed for competence. Peter Thiel, a billionaire and successful entrepreneur donated $9,00,000 to sea steadying for crafting the preliminary architectural framework of the floating country. Thiel is now a philanthropist, evangelist for futuristic, often weird innovations [The Economic Times, Jan 2011].

CSR is not a new leaf of the book, but becoming a “hot topic” in the field of corporate to prove them self as a citizen of the society. Even now the government of India has strengthened the CSR policy by guiding those companies whose annual turnover are more than Rs.1000 crores, should spend 2% of average net profit on social cost for the past three years in the annual report. [The Economic Times Feb., 2011]. Now it has become essential to the corporate to evidence the world, that they are the part of the improvisation of the society.

1.2.1 Managers the Prime Factor

In general, any concern gets the support from the pillars like, employees, fund, policy and product etc., but one of the essential and irreplaceable components is human contribution. Especially managers of the organisation strive as agents work for the organisation and get recognised from third party
employees, customer, and society]. The manager plays a major role in any concern with power and accountability.

A corporate manager’s position is becoming ‘hot seat’ to survive. He should prove himself by handling the employee as a leader and supporting the management as an agent. In case of CSR, it is a major responsibility of the manager to carry out the sensitive and image building activities effectively. Whatever funds that are allocated to the manager, he must act according to the policy, preference, guidelines provided by the government and in addition it must build the corporate reputation. Human activities depend upon the ethical ideology and perception. In case of CSR not only the manager’s ideology and perception, but also policy, resources, nature of business and nature of ownership has an impact on CSR activities. For example, PSU should follow Department of Public enterprise [DPE] guidelines to precede CSR, but it is not compulsory applicable to private concerns. Their activities based on opportunities and their management preference.

To effectively enhance ethical and socially responsible practices in society, it is important for managers and policy makers have a better understanding of the society. It is assumed that the managers must first perceive ethics and social responsibility which are important or beneficial to organisation effectiveness, before their behavior will become more ethical and reflect greater social responsibility.

This study is therefore an attempt to provide the subjective experience of perception on CSR and ethical ideology of managers in organisations. This study triggers out the factors that lead the activities of corporate social responsibility. The aim of the study is to know the relationship between the perception of the manager on CSR and CSR activities proceeded in an organisation.

1.3. STATEMENT OF THE PROBLEM

Corporate social responsibility has become an important driving force for any upcoming corporate. It is essential to improve the society, especially country like, India, where tremendous changes are taking place, economically, politically and demographically. India has established great hits in fields of progress still
parts of India lack of education and infrastructure facility. After Liberalisation Privatisation and Globilisation (LPG) policy, India’s economic imbalance is brought to control. But it also created some adverse effects on economic alignment. To prove their corporate citizenship, there is a need for being responsible towards the stakeholder and society.

This study focuses on the perception of managers in CSR concept and their perception on CSR activities in Chennai.

1. The relationship between factors on perception of CSR, ethical ideology, fund allocation and CSR activity behavior is yet to be conclusively established.

2. The relationship between the personal characteristics and perception of CSR of the managers, ethical ideology, nature of business and ownership of the organisation.

3. Finally a model to explain the relationship amongst these factors is required to provide a comprehensive understanding of CSR activities.

1.4. OBJECTIVES OF THE STUDY

Primary objectives:

• To study the perception of managers towards corporate social responsibility.

• To identify the variables which influence the CSR practices.

Secondary objectives:

• To find the association between the demographic factors with managers perception.

• To determine the factor influencing ethical ideology of managers.

• To identify the factors influencing the perception of the manager on CSR.

• To find the relationship between nature of ownership, business and activities of CSR.

• To find the position of managers with reference to their ethical ideology and perception of corporate social responsibility.
1.5. HYPOTHESES

1.5.1 There is no significant difference between Gender and ethical ideology of managers.

1.5.2 There is no significant difference between Gender and perception of managers on CSR.

1.5.3 There is no significant difference between Age group and ethical ideology of managers.

1.5.4 There is no significant difference between Age group and manager’s perception on CSR.

1.5.5 There is no significant difference between work experience and ethical ideology of managers.

1.5.6 There is no significant difference between work experience and manager’s perception on CSR.

1.5.7 There is no significant difference between educational qualification and ethical ideology of managers.

1.5.8 There is no significant difference between educational qualification and manager’s perception on CSR.

1.5.9 There is no significant association between income level and ethical ideology of managers.

1.5.10 There is no significant association between income level and manager’s perception on CSR.

1.5.11 There is no significant difference between annual turnover and perception on CSR of managers

1.5.12 There is no significant difference between ethical ideology, perception of managers on CSR and the nature of business.

1.5.13 There is no significant difference between ethical ideology, perception of managers on CSR and nature of ownership.
1.5.14 There is no significant difference between fund allocation and annual turnovers, nature of business and ownership.

1.5.15 There is no significant relationship between CSR activities and nature of business.

1.5.16 There is no significant relationship between CSR activities and nature of ownership.

1.6. RESEARCH METHODOLOGY

Today’s corporations operate in close media scrutiny, investor, regulatory and public scrutiny which requires solid corporate governance. This demands more pro-active role from state, companies and communities in a development process aimed at balancing economic growth with environmental and social sustainability. Most academics and business experts have noticed how since early 1990s, corporate social responsibility [CSR] has transformed from an irrelevant and often frowned-upon idea to an increasingly important concept globally, both in political and business agenda. Now it is the part of the debate about globalisation, competitiveness and sustainability. CSR involves assessment of the company’s economic, social and environmental impact, taking steps to improve it in line with stakeholder requirements and reporting on relevant measurement. Manager of the companies takes initiation in promoting an innovative CSR program to strengthen the business practice of attracting public image. So far, this researcher has mainly focused on identifying the drivers of CSR activities. This study spotlights on ethical ideology of manager with relation to their perception on CSR. In addition, personal characters and annual turnover along with an opinion on fund allocation, nature of business and ownership are taken for the study and analysis. During the analysis, the managers’ perception on CSR will receive a central role, because it is believed that this variable might play a mediating role in the decision-making process of CSR activities. Based on the purpose of this research, following research questions and problem have been formulated.
1.6.1 Research Design

Research design is the plan and structure of investigation in order to obtain answers to the research questions. The present study is descriptive in nature. Descriptive research is undertaken to describe the collected information without changing the data or to investigate the possibilities of undertaking a particular research study. This study describes whether perceptions of manager differ with respect of other variables, such as, personal value, demographic characters of the respondents and opinion on fund allocation. Further, this study also measures the impact of perception and ethical ideology of manager of CSR activities conducted by the corporation. The study also highlights the position of the managers based on their ethical ideology and perception of corporate social responsibility.

1.6.2 Research Questions

Based on the literature review following research questions were identified

1. How does the perception of the manager on CSR is framed?
2. Does any significant relationship exist between perception on CSR and ethical ideology of managers?
3. Where such perception of the manager may differ among the nature of business and ownership.
4. Is there any significant relationship between demographic characters with CSR perception?
5. Whether the CSR practice differs from nature of business and ownership.
6. Is there any significant relationship between opinion on fund allocation and nature of ownership?

1.6.3 Geographical Area Covered

The present study concentrates only on managers working in manufacturing units, Information technology services and financial institutions. In this 67 firm represent public sector, 77 firms represent private sector and 71 belong to MNC. These firms are selected on the basis of purposive sampling with the help of karmoyog.com and csrindia.com which produce lists of company who practices CSR in the city of Chennai. The study selected only those companies whose annual turnovers were equal and more than Rs.100 crores.
1.6.4. Period of the Study

A pilot study was conducted during March 2013 to August 2013. Based on the results of the pilot study the questionnaire was modified and data for the main study was collected during September 2013 to March 2014.

1.6.5. Sampling and Data Sources

Sampling is the selection of observations from the population, in other words it represents the population. Both primary and secondary data were collected for this study.

1.6.5.1. Sample Size Determination

Based on the csr.org and karmoyog.com top performing corporations in Chennai were identified. This website ranks the corporation based on CSR activities, annual turnover, and the value of funds allocated for CSR and innovation in CSR practices. The data were collected from selected corporate whose annual turnover is more than Rs.100 crores and the nature of business are manufacturing firms, IT services and financial institutions.

Purposive sampling was adopted to collect the data. The mean and standard deviation determined through pilot study in turn used to determine the sample size for this study. Through this calculation the sample size for managers was arrived at 215 in different corporate across the Chennai city.

1.6.5.2. Challenges

1. HR regulation does not allow corporations to reveal the program for CSR and their fund allocation. Personal websites of selected corporations were used to find the program on CSR.

2. The researcher selected only the corporate generate more than Rs.100 crores as annual turnover and also does CSR activities.

3. A mathematical process that generates a sequence of improving approximate solutions for a class of problems. Based on the Iterative method data were collected from 75 managers in convenient bases on selected renowned corporate for the pilot study.
1.6.5.3. Primary Data

A purposive sampling was adopted for the selection of 215 managers from public sector, private sector and MNCs whose nature of business are manufacturing, IT and services and financial institutions. This sampling method was chosen to include only those respondents who were performing their work as middle level permanent as a manager and excluded the employees during the probation period. HR managers assisted in the sample selection. Both qualitative and quantitative data were collected through a structured questionnaire from the selected corporate. Quantitative data were collected using a questionnaire and it was measured through Likert five point scale. Respondents’ views and suggestions were collected through open ended questions which are qualitative in nature. 300 questionnaires were distributed based on purposive sampling method by the enumerators in various organisations in Chennai city. The questionnaires were distributed personally to the HR managers and also electronic mails were sent to managers based on purposive sampling among the selected organisation. Out of 300 questionnaires only 224 were returned. Out of 224 received questionnaires the unfilled 9 questionnaires were rejected. A total of 215 samples were used for analysis in this study.

1.6.5.4. Secondary Data

The secondary data were collected from books, journals, research articles and from conference proceedings.

1.7. DEVELOPMENT OF INSTRUMENT

A questionnaire was developed based on the validated scale of the following authors and prior permission was obtained to use their scales.

<table>
<thead>
<tr>
<th>S.NO</th>
<th>AUTHOR NAME</th>
<th>VARIABLES</th>
<th>YEAR OF SCALE</th>
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<td>1</td>
<td>Davis. K, Christopher Orpen</td>
<td>Perception on CSR</td>
<td>1973 1987</td>
</tr>
<tr>
<td>2</td>
<td>Forsyth, D.R.</td>
<td>Ethics position questionnaire</td>
<td>1980</td>
</tr>
<tr>
<td>3</td>
<td>Teoh and Gregory Thong</td>
<td>Types of CSR activities</td>
<td>1986</td>
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Source: Self-compiled
The Questionnaire was divided into four parts

- **Part: A** - This part consists of ethical ideology scale, which is developed by Forsyth’s (1980) ethics position questionnaire (EPQ) is used to measure the level of idealism and relativism. The EPQ consists of two scales to measure idealism and relativism. The original EPQ contains ten questions concerning idealism, and another ten questions concerning relativism. The items under each group were measured by using five point likert scale, start from ‘strongly agree’ to ‘strongly disagree’. This questionnaire allocates respondents to the different ethical group, by evaluating their responses and averaging their total scores in both segments. Idealism and relativism were conceptually independent and individuals may be high or low either dimensioned.

- **Part: B** - The second part of the questionnaire consisted of 24 statements taken from Davis [1973] and Christopher Orpen (1987) well-known article on social responsibility covering the major arguments for and against involvement in social responsibility activities of the business world. In part 14 statements are favoring the CSR practices and other 10 questions are arguing against CSR. Both statements were measured by using five point likert scale, start from ‘strongly agree’ to ‘strongly disagree’. The subjects simply indicated whether they agreed or disagreed within each of the items.

- **Part: C** - This part of the question was designed to assess the subjects’ perception of the extent to which their society regards it as desirable that corporations engage in various social responsibility activities. The 15 items included in this part of questionnaire described activities listed most frequently as an example of corporate social responsibility practices by Teoh and Gregory Thong [1986]. This part is measured by whether they do or not by answering ‘yes’ or ‘no’.

- **Part: D** - This part of the questionnaire includes questions about personal details such as age, gender, monthly income, years of experience in service, nature of business, nature of ownership, annual turnover of the
company and the nature of work. In addition, opinion on fund allocation, five statements were measured by using five point likert scale, start from ‘strongly agree’ to ‘strongly disagree’. The subjects simply indicated whether they agreed or disagreed within each of the items.

1.8 DATA ANALYSIS

SPSS version 16 was used to analyse the data. The following techniques were used.

- Reliability analysis was employed to know the repeatability and accuracy of the data. Frequency analysis has been used to identify the personal and organisational details.

- ANOVA analysis was done to know the significant difference between more than two groups.

- Independent sample t-test was performed to know the mean differences between two groups.

- Factor analysis was performed to find the predominant factor influencing the ethical ideology, and perception on CSR among managers in different corporations.

- Regression analysis was performed to find out the relationship between dependent and independent variable.

- Cluster analysis was applied to identify the predominant groups on the basis of ethical ideology and perception on CSR.

- Discriminant analysis was applied to check with reliability of the identified cluster.

- Multidimensional scaling was employed to locate the factors among the clusters.
1.9. PILOT STUDY

A pilot study was conducted between March 2013 to August 2013. Data were collected from 75 managers in the Chennai city from selected corporations. After the application of analysis, the data found with the reliability score of 0.808 i.e., 80.8% data were reliable in case of ethical ideology and personal value of managing it was 0.798 reliable i.e., 80% of the data was reliable. Based on the factor loaded in 20 ideology statements in the EPQ stated the variance of 67.121%. The statements on the perception of managers 24 statements were reduced to 22 statements with a variance of 67.919%. The rotated component factor has grouped the 20 statements of ethical ideology into 5 factors and 23 statements of perception on CSR into 7 factors.

1.10. LIMITATIONS OF THE STUDY

Any research study can be restricted in its scope by certain limitations that are influenced by the choice of the research design, sampling procedure and respondent selection. This study has the following limitations.

- Corporate sectors are very big commercial institution with huge population working as employees and managers out of which only 215 managers participated which may not reflect the opinion of the entire population.

- This study only investigated the influence of the individual’s ethical position on his or her perception on CSR.

- This study observed the perception on CSR only on managers working in the manufacture, IT and services and financial institution.

- The data were collected only from the manufacturing sector, IT and financial institutions in Chennai.
1.11 CHAPTERISATION

The thesis is presented in five chapters

**Chapter – 1: Introduction** - The chapter aims at explaining the need and importance of the study on corporate social responsibility, the objective of the study, methodology and the limitations of the study.

**Chapter – 2: Review of Literature** – This chapter includes reviews of literature related to the corporate social responsibility, perception of managers towards corporate Social responsibility, ethical ideology and factors determined CSR activities. These were drawn from books and journals. Based on these literatures the theoretical framework and hypotheses are developed.

**Chapter – 3: Conceptual Framework** - The chapter discusses the theories and provides a theoretical model.

**Chapter – 4: Data Analysis and Assessment of Results** - This chapter is concerned with the result of statistical analysis. To get the appropriate result SPSS was used to analyse the data.

**Chapter – 5: Discussion and Conclusion** - This chapter summarises research findings, suggestions and conclusion drawn from the research.