Chapter V

SUMMARY OF FINDINGS,
SUGGESTIONS
AND CONCLUSION
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5.1. INTRODUCTION:

Research has to provide clarity in the results and this is achieved through adequate measurement of the variables under study and accurate inferences from the result of analysis. Empirical research helps the researcher to establish meaningful and logical relationship among the variables. This chapter discusses outcome of the analysis and its implication on the organisational settings.

5.2. SUMMARY OF THE FINDINGS

Respondents based on Gender: Majority of the respondents [82.8%] were male, 17.2% respondents of this study were female. Opinions were drawn from the maximum number of managers who are male.

Respondents based on Age Group: 32.1% respondents belonged to the age level of 45 years and 5.1% respondents belonged to 40-45 years of age. The majority of the managers were under the age group of 45 years.

Respondents’ Educational Background: 35.8% of the respondents were professionally qualified and 30.2% of respondents were undergraduates. The majority of the managers were professionals.

Respondents Work Experience: 35.8% of the respondents possessed more than 20 years of experience and 7% of the respondents were falling in the 15-20 years level of experience. The majority of the managers were having above 20 years of experience and expertise in their field.

Respondents’ Pay Scales: 31.2% respondents were under the income level of Rs. 50,000-Rs. 1,00,000 and 3.3% of the respondents fall under the income level of Rs. 2,00,000-Rs. 2,50,000. The majority of the managers were below the income level of Rs. 50,000.
Corporate Annual Turnover: Among the sample, 41.4% of the corporate annual turnover level are more than Rs. 500 crores, 2.3% of the respondents fall under the turnover level of Rs. 400 - 500 crores, 10.2% of the respondents fell under the turnover level of Rs. 300-400 crores, 9.3% of the respondents were under the turnover level of Rs. 200-300 crores, 23.3% respondents were under the turnover level of Rs. 100-200 crores, and 13.5% of the respondents were falling on the annual turnover Rs.100 crores. The majority of the corporate turnovers were above 500 crores.

Corporate based on Nature of Business: 56.3% of respondents were from manufacturing sector and 13.5% of the respondents were from financial institutions. The majority of the corporation were manufactures.

Corporate based on Nature of Ownership: 35.8% of respondents were from private companies and 31.2% of the respondents were from public companies. Majority of the respondents were from private companies.

CSR Activities among the Corporate: Maximum numbers of activities were conducted by manufacturing firms than IT service and financial institutions. Maximum numbers of activities were conducted by public companies than private and MNC companies.

Normality on Study: To find whether samples represent the total population, Normality test was performed. Since the P value in value in independent [Ethical ideology, Opinion on fund allocation] and dependent variables [Perception on CSR and CSR practices] are greater than 0.05 therefore null hypotheses is accepted. Hence the sample population (Managers n = 215) represents the opinion of the total population.

Reliability on Study: To find out the reliability of the collected data reliability analysis was performed. Cronbach’s alpha greater than 0.05 in all variables, further over all variables reveals that 0.808 that is 80.8% of data reliability. Therefore, it is statistically proven that the data collected for the study are more reliable and considerable for the further analysis.
Factor Analysis was applied to identify the various factors influencing the ethical ideology of a manager. Whereas, five factors were explored namely; holistic, utilitarian, subjective, contingent and perfectionist personalities. The KMO value is 0.736 which show the sample adequacy, with variance [62.49%] and reliability [0.835].

Perceptions of manager on CSR have been factorized and seven factors were identified. They are (i) CSR is an additional burden to the Corporate, (ii) CSR activities are cost incurring project, (iii) CSR is an expectation from the society, (iv) CSR is a profit making weapon, (v) CSR is a balancing instrument of a firm, (vi) Firm performs CSR beyond responsibility and then finally (vii) CSR is an image builder to firm. The KMO value is 0.672 which show the sample adequacy, with variance [68.15%] and reliability [0.735].

Relationship between Gender and Ethical Ideology: To identify the differences between genders with regards to ethical ideology, the independent t test was performed. The overall perception of p value is greater than 0.01. Hence it is concluded that there is no significant difference between ethical ideologies of the manager with gender.

Relationship between Gender and Perception of Managers on CSR: To identify the differences between genders with regards to managers’ perception on CSR, the independent t test was performed. The overall perception of p value is greater than 0.01. Hence it is concluded that there is no significant difference between perceptions on CSR of the manager with gender.

Relationship between Age Group and Ethical Ideology: To know the difference between the age group of managers towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the age group of managers towards ethical ideology. The factors like holistic, utilitarian, subjective and perfectionist personalities p values are significantly differing at 1% and 5% of significant level with different age group of managers. Overall, the age group of the respondents has an impact on an ethical ideology of managers.
Relationship between Work Experience and Ethical Ideology: To know the difference between work experiences of managers towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between work experiences of managers towards ethical ideology. The factors like utilitarian personality, subjective personality contingent personality and perfectionist personality p values significantly differ at 1% and 5% of significant level work experience of managers. Overall, the work experience of the respondents has an impact on an ethical ideology of managers.

Relationship between Educational Qualification and Ethical Ideology: To know the difference between educational qualifications of managers towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between educational qualifications of managers towards ethical ideology. The factors like holistic personality, utilitarian personality contingent personality and perfectionist personality p values are significantly differing at 1% and 5% of significant level with different educational qualifications of managers. Overall, the educational qualification of the respondents doesn’t have an impact on an ethical ideology of managers.

Relationship between Income Level of Managers and Ethical Ideology: To know the difference between monthly income levels of managers towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between monthly income levels of managers towards ethical ideology. The factors like holistic personality, utilitarian personality, contingent personality and perfectionist personality p values are significantly differing at 1% and 5% of significant level with the different monthly income level of managers. Overall, the monthly income level of the respondents has an impact on an ethical ideology of managers.

Relationship between the Nature of Business and Ethical Ideology: To know the difference between the nature of business towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the nature of business towards ethical ideology. The factors like holistic and subjective personalities, P values are significantly
differing at 1% and 5% of significant level with nature of business. Overall, the nature of business has an impact on an ethical ideology of managers.

**Relationship between the Nature of Ownership and Ethical Ideology:** To know the difference between the nature of ownership towards an ethical ideology of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the nature of ownership towards ethical ideology. The factors like utilitarian, subjective, contingent and perfectionist personality’s p values significantly differs at 1% and 5% of significant level with nature of ownership. Overall, the nature of ownership has an impact on an ethical ideology of managers.

**Relationship between Age Group and Perception of Managers on CSR:** To know the difference between the age group of managers towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the age group of managers towards perception on CSR of managers. The factors like CSR is an additional burden to corporate, CSR activities are cost incurring project, CSR is an expectation of the society and, finally CSR is a profit making weapon were p values are significantly differ at 1% and 5% level of significant with different age group of managers. Overall, the age group of the respondents has an impact on the perceptions on CSR of manager.

**Relationship between Work Experience and Perception of Managers on CSR:** To know the difference between work experiences of managers towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between work experiences of managers towards perception on CSR of managers. The factors like CSR is an additional burden to corporate and CSR is an image builder for the firm, p values are significantly differ at 1% and 5% level of significant with different work experience of managers. Overall, the work experience of the respondents has an impact on perceptions on CSR of manager.
Relationship between Educational Qualification and Perception of Managers on CSR: To know the difference between educational qualifications of managers towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between educational qualifications of managers towards perception on CSR of managers. The factors like CSR is an additional burden to corporate, CSR is a cost involved project to firm, CSR is an expectation of the society and, finally CSR is an image builder for the firm, p values significantly differ at 1% and 5% level of significant with different educational qualification of managers. Overall, the educational qualification of the respondents has an impact on perception on CSR of managers.

Relationship between Income Level and Perception of Managers on CSR: To know the difference between monthly income levels of managers towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is no significant difference between monthly income levels of managers towards perception on CSR of managers. The factors like CSR is an additional burden to corporate, CSR is a balancing instrument of a firm, CSR is a cost involved project to firm, firm performs CSR beyond responsibility, CSR is an expectation from the society, it is also a profit maker, then finally CSR is an image builder to firm p values significantly differ at 1% and 5% level of significance with the different monthly income level of managers. Overall, the monthly income level of the respondents has no impact on perceptions on CSR of managers.

Relationship between Corporate Annual Turnover and Perception of Managers on CSR: To know, the difference between annual turnovers of corporate towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is no significant difference between annual turnovers of corporate towards perception on CSR of managers. The factors like CSR is an additional burden to corporate, CSR is a balancing instrument of a firm, CSR is a cost involved project to firm, which performs CSR beyond responsibility, CSR is an expectation of the society, then finally CSR is an image builder to firm p values significantly different at 1% and 5% level of
significant with different annual turnovers of corporate. Overall, the Annual turnover, corporate has no impact on perceptions on CSR of managers.

**Relationship between the Nature of Ownership and Perception of Managers on CSR:** To know the difference between the nature of ownership towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the nature of ownership towards perception on CSR. The factors CSR is an additional burden to corporate, CSR is a balancing instrument of a firm, CSR is an expectation of the society, then finally CSR is a profit maker to firm, P values significantly differ at 1% and 5% level of significant with nature of ownership. Overall, the nature of ownership has an impact on perception on CSR of managers.

**Relationship between the Nature of Business and Perception of Managers on CSR:** To know the difference between the nature of business towards perception on CSR of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between the nature of ownership towards perception on CSR. One factor p value significantly differs at 1% level of significant with the nature of business that is CSR is an additional burden to corporate significantly differs with the nature of business. Overall, the nature of business has no impact on perception on CSR of managers.

**Relationship between the Nature of Ownership and Business, Annual Turnover with an Opinion on Fund Allocation:** To know the difference between nature of ownership, nature of business and annual turnover towards opinion on fund allocation of managers ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between annual turnover, nature of business and nature of ownership and P values are significantly differ at 1% level of significance with respect of annual turnover, nature of business and ownership towards the opinion on fund allocation.

**Relationship between CSR Activities and Nature of Business:** To know the difference between CSR activities and nature of business of corporate ANOVA was performed. The test result of ANOVA indicates that there is a significant
difference between CSR activities and nature of business of the corporation. CSR activities like Contribution to eradication of poverty and hunger, ensuring product safety, Promotion of women – based micro enterprises, Promotion of sustainable practices, Provision loan for low income housing, provide loans to small enterprise, Contribution for public amenities (e.g. Bus stop shades), Contribution to crime prevention, Solid Waste management, p values significantly differs at 1% and 5% of significant level with nature of business. Overall, nature of business has an impact on CSR activities of the firms.

Relationship between CSR Activities and Nature of Ownership: To know the difference, between CSR activities and nature of ownership of corporate ANOVA was performed. The test result of ANOVA indicates that there is a significant difference between CSR activities and nature of ownership of corporation. CSR activities like ensuring product safety, promotion of women – based micro enterprises, promotion of sustainable practices, provision loan for low income housing, provide loans to small enterprise, contribution to medical aids and facility, responsive to consumer’s complaints, provide contribution for games and sports, contributions to culture and literary works, contribution to educational institutions, p values are significantly differs at 1% and 5% of significant level with nature of ownership. Overall, the nature of ownership has an impact on CSR activities of the firms.

Opinion on Fund Allocation of Managers: Besides of successful execution of CSR activities, most of the firm felt that there is no annual provision for CSR. Majority of the respondents agrees that the end of the financial year, there is a push to perform CSR activities. Even then, most of the firms don’t have a separate department for CSR. Instantly a team will be formed to perform the CSR tasks. In addition, most of the respondents agreed that corporates provides funds on time. One of the interesting thing is most of the managers agree that fund, which is provided for CSR activities is sufficient for their CSR projects.

Ethical Ideology of the Managers: The study reveals that ethical ideology of the managers was highly idealistic and low relativistic in nature.
Impact of Ethical Ideology, Annual Turnover and other Personal Variable with Perception of Managers on CSR: To find out the relationship between ethical ideologies of manager, age, Gender, experience in the job and annual turnover with perceptions on CSR of manager, regression was performed. The result shows that the independent variable like Age, Gender, and Experience in Job, Ethical Ideology and Annual Turnover has significant influence over perception of the manager on CSR.

Impact of Manager’s Ethical Ideology, Perception of Managers on CSR, Fund Allocation, Nature of Business and Ownership with CSR Practices: To find out the relationship between manager’s ethical ideology, perception of managers on CSR, fund allocation, nature of business and ownership with CSR practices, regression was performed. The result shows that the independent variable like manager’s ethical ideology, perception of managers on CSR, fund allocation, nature of business and ownership has significant influence over CSR activities.

Factor Analysis was employed to identify the factors influence on ethical ideology and manager’s perception on CSR. Totally 11 factors were identified, namely, Sympathetic personality, Submissive towards CSR, Pragmatic personality, CSR is a business, CSR is an additional duty, Corporate citizenship, CSR is an obligation, CSR is yield benefit to the business, CSR is a regulation, CSR is a fundamental component and Perfectionist. The KMO value is 0.715 which show the sample adequacy, with variance [70.69%] and reliability [0.808].

Cluster Analysis was performed to classify the respondents into the homogeneous group. Four groups were identified by quick cluster and named as Self Actualized, Emotivistic, Situationists and Individualistic. The cluster 1 consists of 32 respondents out of 215, which represent 14.9% of the sample. Cluster 2 is the smallest cluster consists of 2 respondents, cluster 3 consists of 45 respondents and cluster 4 consists of 136 respondents. The final cluster centers reveals that cluster 1 falls on the wide side of the CSR since the managers think they are socially responsible and they have a broad mind on service. They think, business not only responsible for the making money, but also build and create
value to society. They think CSR is a fundamental component in business. Cluster 2 consists of pragmatic personality where they believe the moral rule differs to person to person and they also think that CSR is a tool to yield benefits for business. Clusters 4 consist of those managers with a negative view of the CSR is an added stress on business and the personality is perfectionist in nature. This cluster is, therefore, considered to comprise firms in the narrow arena of social responsibility where high relativism located. Clusters 3 follow the same path of cluster 4 but with little variation; it falls on the side of idealism because they perceive that CSR will lead to the brighter side of the business.

**Discriminate Analysis** was applied to find the percentage of accurate classification of simple data. Whereas test values of discriminant analysis predicted that self actualized cluster -1 was 96.9%, because one of the respondents was located in cluster 4 as the respondent may think CSR is an obligation, situationists cluster -2 was 100%, emotivistic cluster-3 was 100%, finally individualistic cluster -4 were 99.3% correctly classified. In the group of cluster 4, one of the respondents located in cluster 1 because, the respondent may think CSR is a fundamental component. These values amplify the confidence of the research at grouped population, which is classified in this study. Thus, overall 99.1% of original grouped cases were correctly classified.

**Multidimensional Scaling Analysis** was employed to classify the factors, according to the cluster. The test reveals the values from the multidimensional scaling graph that the items with high factor loading which comprises clusters1 [Self Actualized] are in common with [Factors 1, 10] following that cluster 2 [Situationists] are in the common with [Factors 3, 8] followed that cluster 3 [Emotivistic] are common with [Factors 4,9] and cluster 4 [Individualistic] are in common with [Factors 2,5,6,7,11]. Therefore, it is concluded that the three leading clusters reveals the perception of CSR among the managers in Chennai. The results were supported by the factor analysis, the incidence of difference of three broad managerial groupings reveals the outcome as emotivistics and individualistic clusters are associated with the narrow side of CSR which indicate the classical theory, agency theory. The other side is a wider view of CSR ready
to do CSR in the contemporary view with sympathised personality as self actualized.

5.3 IMPLEMENTATION

The current study attempts to determine the relationship between individual ethical ideology and managers’ perception of corporate social responsibility. Based on the finding of this research the following recommendations are offered:

5.3.1 Ethical Ideology

Corporate social responsibility activity, is often either impugned as leading evidence of managerial malfeasance or held up as a shining example of enlightened self-interest. The results indicate that manager perceptions regarding the importance of ethics and social responsibility can be explained by both dimensions of moral philosophies as hypothesised. Self Actualized who are more idealistic tend to perceive ethics and social responsibility as important. The result also reveals that, emotivistic to their counterparts, less relativistic managers tend to perceive ethics and social responsibility as important. The competitive world forces the manager to focus on corporate target and achievement. But, manager engages in the CSR by the force of regulation of the external force, such as government and international obligation.

In general, corporate ethical value has an impact on individual ethical ideology. From the study most commonly suggested ways to improve ethical ideology of an individual, the corporate must frame policies or code of ethics and also endow with personal motivation among the managers. Apart from the entire above mentioned note any organisation’s ideology depends upon ‘what is an entrepreneur is’. However, the leader is generous, his policies and procedures of corporate also have public concern. This makes the difference in society.
5.3.2 Perception of Manager on CSR

The study expresses that most of the managers in Chennai has a positive opinion on CSR irrespective of their nature of the business and ownership. But few managers’ perception of CSR is somewhat varied in nature. Still, they are in a position to identify the real worth of CSR with corporate. Most of the managers are interested to participate in CSR, but time and their busy scheduled made them step-back. But when the government made an announcement on CSR as 3% social cost, their commitment towards CSR is fixed. Still their job is to locate the relevant project, which gets a hold of huge benefit at large with less cost.

Corporate decision makers must address the issues and challenges that may impede the successful development of CSR programs and ethical conduct. In short, it is not enough for the organisation to develop a CSR program, document and a code of ethics. Instead, the organisation must develop, concrete policies that can be used by managers and other stakeholders to make the CSR program a highly successful one. Managers in the organisation are inadequate and will not have the necessary tools to make the program a reality. Thus, success will depend on the ability of the organisation to translate theory into practices.

The cost of developing and implementing CSR initiatives are expensive and substantial; decision makers should create a separate budget to finance the programe and to ensure their success and sustainability. It may be prudent, to benchmark successful CSR programs from other companies. Corporate social responsibility report must be added in the annual report and the firm must highlight the money spent for CSR. This will strengthen the corporate accountability and transparency. The CSR activity benefits must be quantifiable. Monitory mechanism and updated document must be encouraged.

5.3.3 Corporate Social Responsibility Activities

Amendment of the companies Act 2013 has introduced several provisions which would change the way Indian corporates do business and one such provision is spending on CSR activities, which has largely been voluntary
contribution, by corporate has now been included in the law. Basically the CSR provisions, as laid down under the 2013 Act and it is also specified few areas for CSR activities initiations such as gender equality and empowering women, reducing child mortality and improving maternal health, provision for overcoming major diseases like AIDS, malaria etc., and so on.

The study says that majority of the firm focus on consumer complaints and medical aids and facility at first. The second most important for environment, safety measure is quite encourageable aspect in CSR activities. Out of all fifteen CSR activities contribution to public amenities and loan facility for the small entrepreneur are least focused. May be the encouragement of loan for small enterprises will yield good benefit to develop the region. It is true that community development and enrichment will benefit to society and corporates. But, corporations do encounter challenges on strategy formation and implementation. Even after the execution, still the question of maintenance makes a challenging task. For example, if the corporate creates the common hall for the society for recreational benefits, the issue raised on the future responsibility of the facility and its maintenance on other related provisions. The respective public should take responsibility. So CSR activities not only provide the facility, but also create awareness of self responsibility among the society.

Another important issue is spending for CSR activities which does not require corporates to invest lots of money and labour. In addition, CSR managers must empower to practice strategic initiatives for that the managers should focus on enhancing the strong leadership and support of the employees. These are the important requirements for workout CSR activities. It is because; if the corporate has the committed employees then CSR activities will be very effective. The corporate can enjoy the highest level achievement of CSR project with less investment and also earns the good image from society. Top level management plays an essential role to implement CSR initiatives. But any CSR expenses should not be charged under the cost of employees. So corporate must motivate the employees to take part as interested volunteer.
The corporate can be encouraged to innovate new area for CSR initiations. For example, few companies identified the real need of human existence through agriculture. So the corporate may come forward to identify the need of agro based improvement and enhancement. After that, the world expects corporate to give an attention on child malnutrition. Corporate, can promote any CSR activities to overcome those issues in India. Proper strategy will lead to success. Policy must be created and must include in companies web sites. Then corporate must prepare a list of programs, namely, procedure for implementing, monitoring and updating mechanism. The corporation should specify the amount spent on CSR, would include 2 percent of the average net profit, any income generated there from, and surplus arising out of CSR activities are not being included in the profit of the corporate. The approved CSR policy of the company should disclose the contents of such policy in its report and also place it on the company’s website. They should pursue strongly to verify that activities as are included in a CSR policy of the company are undertaken by the company. This makes the firm to fix CSR as accountable and precision to society. But, managers also need clarification in fund allocation on CSR, that is the amount spend for CSR activities, whether, the entire amount is to be treated fully Tax free or only a part. Managers also expect that, the service tax on CSR activities are to be exempted from tax. The amount spent in R&D in the organisation on CSR also must be waved off from tax. These cases must be clarified by government for further empowerment of CSR. At the end, CSR should not be a program, it should be maximising the positive impact.

5.4 CONCLUSION

A healthy society requires three vital segments a public sector, a private sector and a social sector. The responsibility of the public sector is essential governance, that of the private sector is enterprise and the social sector is committed to social good. CSR is not supposed to be merely a statement of intent. There are no easy answers on what to do or how to do it. A company’s interactions and interdependencies with society are many and complex. However, it is clear that approaching CSR as a feel- good or quick fix exercise runs the risk of missing huge opportunities for both the principles illustrated here offers leaders
a way to generate the identify and drive mutual value creation. But, it will demand a shift in mindset: the smart partnering view is that, CSR is about doing good business and creatively addressing significant issues that face business and society, not simply feeling good. Smart partnering, is not for the faint of heart. It requires greater focus, work and long-term commitment than do many standards CSR projects, philanthropic activities and propaganda campaigns, but the rewards are potentially much greater for both sides.

India is the only country, which has CSR as mandatory. Still the governing body should ensure that, it’s not just in writing as enshrined in the preamble of Ministry of Corporate Affairs, Indian corporations are required to spend 2% of their net profit in CSR activities. But in practice this 2% must have a positive bearing on major sectors of society.

In this context, few measures may be undertaken to ensure participation of corporate sector in social development such as incorporation of a section on company’s social responsibility initiatives and its spending in different social developmental projects in its annual report, separate CSR department to be created in the organisation to look after CSR activities, periodic training programs to train personnel involved in CSR activities, periodic awareness camps to show company’s concern for the stakeholder group, especially, the community and finally establishment of a proper linkage between CSR and financial performance of the company. Corporate social responsibility should not be coerced. It is a voluntary decision that the entrepreneurial leadership of every company must make on its own. Corporate social responsibility is a hard-edged business decision. Not because it is a nice thing to do or because people are forcing corporate to do, it is because it is good for our business.- Niall Fitzgerald CEO, Unilever
5.5 SCOPE OF THE FUTURE STUDY

- Nevertheless, this study only investigates the influence of the individual’s ethical position on his or her perception on CSR. Further research should investigate the influence of other values.

- This study examines the perception on CSR only on managers working in a few industries, further study can be conducted among different sectors and corporates.

- The research was conducted among managers from selected corporate in Chennai and further comparative study can be conducted nationally or cross national comparison can be studied.

- The future research is needed to uncover the process through cultural norms, corporate value and religious values.

- The future research also can be focused on CSR issues and challenges in national level. It can be helpful to identify problems in implementing CSR activities.

- The future research can be conducted among the employees to study their CSR commitment and their ideology on CSR practices.