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A study of impact corporate social responsibility on employees' perceptions in India with special reference to I.T industry

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Abstract

The role of corporate social responsibility is always remained important for the companies. Earlier it was considered as a burden upon businesses. But gradually people realised that the companies ultimately get benefitted by the corporate social responsibility activities. Presently the era has come when corporate social responsibility is a tool for good will creation. Companies know that following corporate social responsibility will ultimately result in value creation for their brand image. Present research is conducted among the employees of IT industry. Researcher has used an opinion survey among employees to know their inclination towards corporate social responsibility. Researcher has used a tool with 20 item and Cronbach's alpha above 0.825. With the help of PCA researcher has found that the tool is observing 4 components Overall CSR activities, Legal Compliance, Ethical Compliance and Philanthropic activities. The paper has tried to estimate that how employee's perception for Overall CSR activities varies with the, Legal Compliance, Ethical Compliance and Philanthropic activities of IT companies in India.

Keywords: CSR, IT industry, employee's perception

1. Introduction

Corporate Social Responsibility (CSR) has been a mainstream expression since the 1950s. The significance of the term and its execution didn't turn out to be clear until some other time, in any case. The premise of the cutting edge meaning of CSR is established in the work that prompted Archie Carroll's pyramid. This four-section definition was initially distributed via Carroll in 1979.

CSR alludes to a business' conduct, that it's economically beneficial, follows the law, is ethical, and is socially strong. Productivity and consistence with the law are the main conditions for corporate social responsibility and while talking about the organization's morals, and the level to which it underpins the general public it's important for with cash, time, and ability.

In 1991, he developed this definition utilizing a pyramid. The objective of the pyramid was to delineate the structure block character of the four-section system. This mathematical shape was picked on the grounds that it's both straightforward and ageless. The economic responsibility was set at the pyramid's establishment, since it's a crucial prerequisite to make due in business. Similarly, as with a structure's establishment that keeps the whole construction up, strong benefit assists with supporting the assumptions for society, investors, and different partners.

Very nearly 30 years after the pyramid was created, it's as significant as could be expected. The plan is still consistently cited, changed, talked about, and reprimanded by business pioneers, legislators, researchers, and social intellectuals.

Researcher has found that there are lots of studies upon the corporate social responsibilities. Need of such study in the field of IT industry is required. Talking about the documented polices, executed welfare activates of companies may be insight upon what is going in CSR world. Researcher has tried to find out what are the different attributes of CSR that are working in the present IT industry.

2. Objective

- To estimate the impact of CSR activities of selected I.T. Companies on organisational aspects

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- To suggest measures to make CSR more effective

To obtain above hypothesis researcher has developed following hypothesis:

- H01:** There is no significant relationship of profitability with overall CSR activities of selected IT firms that practice CSR
- H1a1:** There is significant relationship of profitability overall CSR activities of selected IT firms that practice CSR
- H02:** There is no significant relationship of Legal Compliance with overall CSR activities of selected IT firms that practice CSR
- H1a2:** There is significant relationship of Legal Compliance with overall CSR activities of selected IT firms that practice CSR
- H03:** There is no significant relationship of Ethical compliance with overall CSR activities of selected IT firms

that practice CSR

H1a3: There is significant relationship of Ethical compliance with overall CSR activities of selected IT firms that practice CSR

H04: There is no significant relationship of Philanthropic activities with overall CSR activities of selected IT firms that practice CSR

H1a4: There is significant relationship of Philanthropic activities with overall CSR activities of selected IT firms that practice CSR

3. Findings of the Study

H01: There is no significant relationship of profitability with overall CSR activities of selected IT firms that practice CSR

H1a1: There is significant relationship of profitability overall CSR activities of selected IT firms that practice CSR

H C L Technologies Ltd

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current assets	4,838.66	5,861.31	10,975.21	17,780.45	21,584.17	17,845.16	18,277.00	15,621.00	18,876.00
Infosys Ltd.									
Current assets	21,346.00	28,545.00	32,823.00	39,433.00	43,074.00	46,346.00	47,971.00	44,405.00	46,654.00

Tata Consultancy Services Ltd

Current assets	10,722.11	16,666.66	23,477.46	35,059.49	40,775.24	53,872.00	68,790.00	68,577.00	79,464.00
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Tech Mahindra

Current assets	1,854.20	2,079.50	2,305.70	9,643.60	10,130.70	12,775.90	13,530.70	14,697.40	18,260.30
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WIPRO

Current assets	21,921.50	24,126.50	28,681.90	32,996.00	40,306.40	45,260.30	48,774.00	43,071.70	47,811.40
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Current assets progress shows the increasing assets for all the firms.

Ques-04: The impact of CSR activities in my company is good for company profit

Ques004					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	36	3.0	3.0	3.0
	Disagree	72	6.0	6.0	9.0
	Neither agree nor disagree	214	17.8	17.8	26.8
	Agree	377	31.4	31.4	58.3
	Strongly agree	501	41.8	41.8	100.0
	Total	1200	100.0	100.0	

Table 4: Chi Sq calculation for hypothesis -1

	Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E) ²	(O-E) ² /E
Strongly Disagree	36	240	-204	41616	173.4
Disagree	72	240	-168	28224	117.6
Neither agree nor disagree	214	240	-26	676	2.81667
Agree	377	240	137	18769	78.2042
Strongly agree	501	240	261	68121	283.838

$\Sigma(O-E)^2/E = 655.86$

For 0.5 level of significance at the degree of freedom 04, the critical value of chi square is 9.488. On comparing critical value of chi square with test statistics, it is found that the test statistics is higher than critical chi square value. So, the null hypothesis is rejected. It can be concluded that the difference in score for the impact of CSR activities is high on profitability.

So, it can be concluded that

“There is significant relationship of profitability overall CSR activities of selected IT firms that practice CSR

1. H02: There is no significant relationship of Legal Compliance with overall CSR activities of selected IT firms that practice CSR.

H1a2: There is significant relationship of Legal Compliance with overall CSR activities of selected IT firms that practice CSR.

Correlations			
		Legal Compliance	Overall CSR activities
Legal Compliance	Pearson Correlation	1	.278**
	Sig. (2-tailed)		.000
	N	1200	1200
Overall CSR activities	Pearson Correlation	.278**	1
	Sig. (2-tailed)	.000	
	N	1200	1200

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation between Legal Compliance and Overall CSR activities is 0.278. It shows that there is significant relation between Correlation between Legal Compliance and Overall CSR activities. The low magnitude of correlation shows that the selected IT firms does not follow CSR because of Legal Compliance but they follow it because they have belief that this activity will help the real purpose of any business.

2. Ho3: There is no significant relationship of Ethical compliance with overall CSR activities of selected IT firms that practice CSR

Ha3: There is significant relationship of Ethical compliance with overall CSR activities of selected IT firms that practice CSR

Correlations			
		Ethical compliance	Overall CSR activities
Ethical compliance	Pearson Correlation	1	.316**
	Sig. (2-tailed)		.000
	N	1200	1200
Overall CSR activities	Pearson Correlation	.316**	1
	Sig. (2-tailed)	.000	
	N	1200	1200

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation between Ethical compliance with overall CSR activities is 0.316. There is significant relation between Ethical compliance with overall CSR activities of selected IT firms that practice CSR.

activities with overall CSR activities of selected IT firms that practice CSR

Ha4: There is significant relationship of Philanthropic activities with overall CSR activities of selected IT firms that practice CSR

3. Ho4: There is no significant relationship of Philanthropic

Correlations			
		Philanthropic activities	Overall CSR activities
Philanthropic activities	Pearson Correlation	1	.440**
	Sig. (2-tailed)		.000
	N	1200	1200
Overall CSR activities	Pearson Correlation	.440**	1
	Sig. (2-tailed)	.000	
	N	1200	1200

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation between Philanthropic Activities with Overall CSR is 0.440. It shows that there is significant relation between Philanthropic Activities with Overall CSR.

4. Coefficient of multiple correlations (R)

Model Summary table shows following values when consumer buying is predicted by rest of three variables:

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 ^a	.432	.430	3.12384

a. Predictors: (Constant), Legal Compliance, Ethical Compliance, Philanthropic activities

The above table shows the R value is 0.657 which shows strong correlation among all three considered variables in the model. R square value shows that the predicted model is

moderately fit. There is significant relation between celebrity endorsement, brand image and brand loyalty on consumer buying.

5. The coefficients table shows following details

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.880	.566		6.860	.000
	Legal Compliance (X ₁)	.280	.020	.340	13.803	.000
	Ethical Compliance (X ₂)	.254	.023	.254	10.915	.000
	Philanthropic activities (X ₃)	.289	.026	.277	11.112	.000

a. Dependent Variable: Overall CSR activities (y)

The proposed model considers Overall CSR activities as Dependent variable and that Legal Compliance, Ethical Compliance and Philanthropic activities as independent variables. The linear relation between the variables can be predicted as following:

Predicted variable (Dependent variable) = slope * independent variable + intercept

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots \dots \dots (i)$$

Dependent Variable = Overall CSR activities = (y)

Legal Compliance = (x₁)

$\beta_1 = 0.280$

Ethical Compliance = (x₂)

$\beta_2 = 0.254$

Celebrity Philanthropic activities $\beta_3 = 0.289$

Constant (β_0) = 3.880

Putting the values in equation (i) we get our prediction equation as follow:

$$Y = 3.880 + 0.280X_1 + 0.254X_2 + 0.289X_3$$

6. t-value in coefficients table

t-value column in the coefficients table shows all the values are above 1.96. This supports the hypothesis testing in finding 1,2 and 3. t-values are above 1.96 shows that the variables have explainable correlation.

7. Sig value in coefficients table

Sig column in the coefficients table shows all the values are below 0.05. This supports the hypothesis testing in finding 1,2 and 3. Sig values are below 0.05 shows that the variables have explainable correlation.

8. Conclusion

Corporate social responsibility always remained a myth among most of the managers and business management students. When it comes to CSR people think charity for poor, planting tree, feeding the hungry and providing shelter to orphans. In fact, the most of us feel that CSR is a liability to firms. But truth is far from this explanation of CSR. Different authors have defined CSR in different ways. Present research paper is based upon a meta-analysis approach of systematic review to establish the definition of CSR in appropriate sense.

Corporate social obligation (CSR) has numerous benefits that can apply to any business, paying little mind to its size or area. Advantages of corporate social venture for organizations the possible advantages of CSR to organizations include:

- Internal stakeholders (Employees) believe is very crucial for any organization
- CSR creates a good organizational image
- Internal stakeholders believe for CSR is very positive
- CSR of any organization gives a sense of respect to their employees
- CSR activities keep the moral high of Internal stakeholders
- Internal Stake holders perceive that if a company is good at CSR will surely be profitable
- The legal compliances have increased the CSR practices
- Selected IT firms are based upon value and have true

believe in CSR

- Legal frame work can help government to compel the organization to follow CSR
- Ethical factors are more accountable for CSR in business
- Philanthropic activities at organization increases believe of employees in organization
- Philanthropic activities are highly image builder of CSR in organization

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