



CORPORATE SOCIAL RESPONSIBILITY: A TOOL TO INCLUSIVE (SOCIAL) DEVELOPMENT

(With reference to select Multi-National Companies in Hyderabad, Telangana, India.)

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ABSTRACT

The present study is based on the primary data with of 275 sample respondents of select multi-national companies operating at Hyderabad, Telangana. An attempt is made in this paper to examine the how these select companies are doing CSR activities for the development of the society at large, and the study also proven through the analysis of data there is a positive impact on the society, the statistical tools used for the study includes mean, standard deviation and chi-square test.

KEY WORDS: CSR, MNCs Inclusive Development.

INTRODUCTION

The ideas of Corporate Social Responsibility perceive essentially it is 'doing right things'. CSR is about how organization's existence affects stakeholders beyond own insular interests, recognizing the impact of its operations on the community at large. Economical arrangements that help society and the planet while developing business. By embracing CSR system the organization activity can affect positivity, prompting feasible advancement and money related increases. There has been a pivotal increment in concerning CSR lately. It is presently for the most part perceived by business pioneers that their organizations need to acknowledge a greater obligation than transient benefits. It is presently for the most part perceived by business pioneers that their organizations need to acknowledge a greater obligation than transient benefits. It is presently for the most part perceived by business pioneers that their organizations need to acknowledge a greater obligation than transient benefits.

Corporate Social Responsibility is the arrangement of business operations with social qualities and it considers the hobbies of partners in the business approaches and activities.

"Responsibility" accentuates that the business has some ethical commitments towards the general public.

REVIEW OF LITERATURE

Srinivasarao P. (2015) "Corporate social Responsibility: A Tool to Inclusive society" In his paper the overall CSR activities of Dr.Reddy's foundation functioning of good, even some of the beneficiaries expecting more quality training and placement, hence the officials of CSR department has to take care in terms of organization of training and placement programmes, so that beneficiaries will have an inclusive development, as it leads to inclusive society, as it results nation development.

Kansal and Josh (2014) inspected the impression of shareholders and intermediaries with respect to corporate social obligation activities by Indian organizations. The study utilized partner hypothesis to inspect the impression of financial specialists and offer intermediaries on CSR in the connection of India. The information has been gathered by utilizing semi organized overview instrument. The study found that the respondents in both classes of partner gatherings concur that CSR-arranged organizations appreciate more elevated amounts of financial specialist certainty, which bring about higher stock costs, and upgraded notoriety and corporate goodwill. The concentrate likewise found that Indian organizations executing CSR activities that partners have a significant enthusiasm for such activities.

Gowda (2013) assessed the effects of CSR activities on the financial advancement of individuals in the setting of India. The study led on both open and private Indian organizations/ firms. The studies accentuated on the territories organizations have tended to the issues of instruction, wellbeing, and environment. The study demonstrated that all studied organizations have CSR strategy and practices. The concentrate additionally found that social obligation was viewed as a vital business issue of Indian organizations regardless of size, area, and business objective. Additionally, CSR activities impactfully affect the improvement of Indian group and also in the business.

Persic and Markic (2013) analyzed the effect of social obligation vision and methodology through considered the culmination and co-autonomy of socially dependable behavior. The information was accumulated through a survey circulated among 759 expansive and medium-sized associations in the business sector administrations division in the Republic of Slovenia. The study distinguished that there were immediate effect of satisfying the vision, procedure, and co-

freedom between social obligation components on fruitful corporate operations, specifically on the income, benefit, and operational economy.

OBJECTIVES

1. To study the concept of Corporate Social Responsibility and to estimate the practices followed by Multinational Corporations towards Inclusive (development) society;
2. To offer the pragmatic suggestions to improve the quality of CSR activities in sample organization based on the findings of the study.

HYPOTHESIS

Ha₁: CSR activities practiced by MNCs have a significant impact on society benefits.

RESEARCH METHODOLOGY

The study engages both primary and secondary data, primary data was collected from the knowledgeable and potential respondents in Hyderabad, the size of the sample was taken as 375, the sampling technique was employed for the study was stratified random sampling technique, a questionnaire has been designed using 33 statements, which are related to CSR and society development, Besides this, many secondary sources have been used for supplementary purpose. The secondary source includes company websites, social audit reports, annual reports and prior research papers on CSR.

DATA ANALYSIS

Table 1. Gender wise Classification of Respondents

Sl.No	Gender	Frequency	Percent
1	Female	64	17.1
2	Male	311	82.9
	Total	375	100

Source: Primary Data

The above table represents about the gender wise classification of the respondents in different Multinational Corporations of the selected region. It shows that 82.9 percent of the respondents are males and 17.1 percent of the respondents are females.

The above analysis concludes that majority of the respondents working in the Multinational Corporations are males when compared to female respondents.

Table 2. Organizational efforts for the Society benefits
Minimum, Maximum, Mean and standard deviation-

S.No	Items	N	Min	Max	Q	Std. Devia tion
1	Our company is conducting CSR activity for local community development	375	4	5	4.68	0.482
2	Our company identifies the expectations of society & problems of the community	375	3	5	4.56	0.641
3	CSR activity conducted by our company located in our area have improved the quality life of the local people	375	2	5	4.22	0.948
4	Our company has dialogue & partnership programme with potentially affected community to eradicate hunger and poverty	375	2	5	3.64	1.168
5	Our company donates food grains to needy / NGO	375	2	5	3.42	1.238
6	Our company provides mid-day meal schools	375	2	5	2.96	1.226
7	Our company has a facility of free school going children of labour	375	2	5	3.18	1.278
8	Our company focuses on the education of below average students	375	2	5	3.65	1.162
9	Our company ties up with the local government agencies to promote education	375	2	5	3.86	1.32
10	Our company facilitates to uplift standard of formal and informal education for needy	375	2	5	3.57	
11	Our company donates cash to schools	375	2	5	3.12	1.416
12	Our company provides scholarships & sponsors the education of under-privileged children	375	2	5	3.96	1.166
13	Our company resolves the human right & gender discrimination issues on urgent basis	375	2	5	4.24	1.062
14	Our company creates awareness not to Support female feticides.	375	2	5	3.26	1.284
15	Our company honors the female managers and creates respect for females among society.	375	2	5	4.48	0.874

16	Our company promotes early child health programmes	375	2	5	3.56	1.289
17	Our company facilitates vaccination awareness to the society	375	2	5	2.94	1.158
18	Our company provides precautions during pregnancy for female employees	375	2	5	3.72	1.234
19	Our company provides nutrition for early child and mother	375	2	5	3.18	1.228
20	Our company provides periodical health check-up to people	375	2	5	4.28	0.972
21	Our company distributes free medicines to society	375	2	5	3.62	1.276
22	Our company provides HIV/AIDS awareness programmes to society	375	2	5	3.84	1.164
23	Our company provides Sex Education programmes to the teenager students in adopted schools and local community.	375	2	5	3.46	1.158
24	Our company facilitates free vaccination of malaria & any other diseases.	375	2	5	2.96	1.086
25	More people are willing to work for our company due to its initiatives for the society.	375	2	5	4.28	0.948
26	Livelihood support and training programs are run by Our company	375	2	5	3.92	1.192
27	In case of any natural calamity, Our company supports in rehabilitation of the effected community.	375	2	5	4.56	0.764
28	Our company is engaged in providing technology based community initiatives	375	2	5	3.94	1.142
29	Sports and games are promoted by our company	375	2	5	4.16	1.122
30	Girl child welfare is a CSR initiative undertaken by company.	375	2	5	3.24	1.246
31	Welfare of senior citizens is a part of our company's CSR program	375	2	5	3.58	1.212
32	Clean drinking water is provided by our company through the water reservoirs build by company in draught area.	375	2	5	4.26	1.046
33	Our company funds construction of villages, dams, pipelines, roads, hospitals and public toilets	375	2	5	3.42	1.284

The above table shows the responses of the respondents working in Multinational Corporations with regard to the organizational efforts for the benefits of the society which includes maximum, minimum responses received from the respondents and also provides the mean, standard deviation values of each item of part-I of the questionnaire.

Verification of Hypothesis

In order to validate the testing of Hypothesis H1, the researcher has applied Chi-square and Mann-Whitney test.

Chi-square Test:

Table 3. Chi-square test - Hypothesis H1

Chi-Square Tests	Value	df	p value	Remark	
Pearson Chi-Square	62.18	12	0.000	Significant	Positive Impact
Likelihood Ratio	48.139	12	0.000		
Fisher's Exact Test	44.214				

Accordingly, the researcher has applied chi-square test as there is categorical (Nominal) as well as metric (scale) data. This test is to know the association significance (impact) between CSR activities perform by the company and society

benefit. The p value is less than 0.05 hence there is significant difference exist, it means there is an impact. By this test of significance, the researcher generalized the result to the population.

Mann Whitney Test:**Table 4. Mann-Whitney test – Hypothesis H1**

Ranks			
	part	Mean Rank	Sum of Ranks
median	1	184.72	41612.2
	5	262.38	58426.2

Test Statistics a		Remark	
	median		
Mann-Whitney U	17142	Significant	Positive Impact
Wilcoxon W	41609		
Z	-6.974		
Asymp. Sig. (2-tailed)	0.000		
a. Grouping Variable: part			

Mann-Whitney test is a non parametric test of significance, generally applicable to non metric (ordinal) data. In this test comparison average (median) in two groups is checked by the procedure. Here researcher applied this test to test whether median is same in two groups or not. The researcher checks if there is any impact of CSR activities on society benefit in terms of median of two groups. Since data is on likert scale, this is appropriate test in non parametric test of significance. In this case the pvalue is less than 0.05 hence there is significant difference exist, it means there is impact. By this test of significance researcher has generalized the result to the population.

MAJOR FINDINGS

- The study shows that majority of the respondents working in the Multinational Corporations are males (82.9%) and females are 17.1%.
- The study shows that 58.2 percent of the respondents had strongly agreed and 33.6 percent of the respondents had agreed that their organization identifies the expectations of society and problems of the community
- The study shows that 65.8 percent of the respondents had strongly agreed and 34.2 percent of the respondents had agreed that their organization is conducting CSR activity for local community development.
- The study shows that 42.2 percent of the respondents had strongly agreed and 35.2 percent of the respondents had agreed that the CSR activities are conducted by their organizations located in the area have improved the quality life of the local people.
- The study shows that 29.9 percent of the respondents had strongly agreed and 24.6 percent of the respondents had agreed towards the statement that their organization had dialogue and partnership programme with potentially affected community to eradicate hunger and poverty.
- The study shows that 26.5 percent of the respondents had strongly agreed and 12.8 percent of the respondents had agreed towards the statement that their organization had donates food grains to needy/ NGO. However 37.8 percent of the respondents are neutral in their responses towards this statement.

- The study shows that 30.9 percent of the respondents had disagreed towards the statement that their organization provides mid-day meal in corporation schools . However 28.8 percent of the respondents are neutral towards this statement.

SUGGESTIONS

1. The Multi National Corporations should restructure, innovate and formulate their policies on corporate social responsibility in such a way that they should emotionally connect with the customer through corporate social responsibility activities.
2. It is high time now for the Multi National Corporations that they should focus on Socio-centric activities too in all the branches in order to maintain their leading position, satisfying customer and finally to survive in this hyper competitive environment.
3. The selected Multi National Corporations should be adding more facilities in CSR concepts to cover all age groups and uneducated people for more customer satisfaction in India.
4. The Multi National Corporations should practice the community investment initiatives in the areas like poverty alleviation, working for disabled people, education, conservation of nature and environment and promotion of culture, values and social heritage.

CONCLUSION

An organization receives inputs from society in the form of skilled / unskilled labour, raw material and natural resources like air, water and space for its operation and, in turn, offers goods and services to society. Thus, businesses depend on society for further existence and it is, in their interest to take care of society. It cannot operate either in isolation or in vacuum. Like individuals, businesses also need to live in the real world, i.e., in society. Therefore, to be successful in business, companies also need to look after the basic needs of the society, minimize harmful effects to environment, contribute in nation-building and comply with the law of the land.

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