

**A STUDY ON CSR ACTIVITIES OF PRIVATE SECTOR INDUSTRY IN GUJARAT**

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**ABSTRACT:**

CSR is described as contribution of business towards sustainable development and is defined as the development for current and future needs. CSR is associated with many elements such as corporate sustainability, corporate responsibility and corporate stewardship. CSR will provide best interest of society which leads in the direction of positive contribution to the human society. This research paper highlights on implementation and functioning of CSR in various companies. The main goal of the study was to analyse the implementation and functioning of CSR in selected companies in Gujarat.

**Keywords:** CSR, Sustainability, accountability, CSR activities in private sector, Implementation & Functioning of CSR.

**1. INTRODUCTION:**

CSR is a business practice which can cause sustainable development in to the model of company's business. It has created positive impact on social economic and environmental factor. CSR is the responsibility of the organization for the impact of its decision and

activities on society and environment resulting in ethical behavior and transparency which can contribute to the sustainable development.

## **2. OBJECTIVES OF STUDY**

- To get the information of CSR through opinions of employees of an organization.
- To get the information of approaches for practising social responsibility through opinions of employees.
- To get the information regarding execution and practising social responsibility through opinions of employees.

## **3. DIMENSIONS OF CSR**

### **3.1 Corporate Sustainability**

Sustainability means the ability to maintain different systems socially, economically and environmentally. CSR is normally defined as the practice under good social, economic and environmental condition. CSR is implemented in most of the organization to improve reputation and profitability of an organization. CSR shows the view about the ethical views and concepts which is relevant economically, socially and environmentally.

### **3.2 CSR and Corporate Accountability**

Corporate accountability generates a system under which companies establish policies, target & processes to handle its activities. Corporate accountability involves CSR issues like business ethics, governance, human rights, financial & environmental performance of organization. Effective & accountable system helps the organization to maintain culture which develop & support CSR activities within the institutional framework. Companies are also generating accountability for better performance at senior management level by developing CSR activities.

#### **4. MEASUREMENT OF CSR**

CSR can be measured in to three levels.

- Measurement in terms of responsibility.
- Measurement in terms of responsiveness.
- Measurement in terms of outcomes

##### **4.1 Social Responsibility**

Corporate responsibility has following elements.

- It shows the relationship between business and society.
- Responsibilities are associated with firm and its methods and outcomes which can be found within the framework of basic principle.
- The behaviour of manager where manager and other members are ethical and moral actors.

Within every domain of corporate social responsibility, they are obliged to exercise such direction as is available to them towards socially responsible outcomes.

##### **4.2 Social Responsiveness**

Corporate social responsiveness is the capacity of the business to do something to social pressures. It is the ability of the business organization to survive for the business environment.

CSR consists of following elements.

- Identification of business environment- It indicates the gathering of information and transmitting them throughout the organization.
- Management of stakeholders- stakeholder is an individual or groups who can affect the objective of firm. Stakeholder management involves the relationships of stakeholders with an organization.
- To highlight the motivational principles of an organization and is converted in to main issues to which stakeholders are associated.

#### **5. BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY**

Business ethics investigate the issues such as systematic, corporate and individual. Corporate issues in business ethics are questions about moral policies, activities and practices. Individual issues are the issues which can be raised about the person within an organization. Systematic issues are issues about economical social and legal systems within which business can develop.

The benefits of CSR are as given below.

- To improve financial results of an organization:  
CSR generally helps to improve the financial performance of an organization.
- To Maintain public credibility:  
The demonstration of willingness of an organization provides accessible, credible and verifiable information which can improve trust among shareholders.
- To eliminate cost:  
The communication can create faith between organization and stakeholders which can decrease complex issues and improve decision making of the company which involve and Engage shareholders and give their feedback to an organization which can reduce complex issues and conflicts between firm and shareholders.
- To increase attraction of investors:  
More effective and ethical practices of an organization can reduce conflicts between firm and stakeholders and better financial performances can increase attraction and trust of investors to the firm.
- To Improve relation with shareholders:  
The firm having transparent and accountable actions and decision can improve relation of a firm with shareholders. Better trust of shareholder can build by accountability and transparency of a firm.

## **6. RESEARCH METHODOLOGY**

### **6.1 Data Collection Method:**

#### 6.1.1 Research design:

The research design used in this study was Exploratory.

#### 6.1.2 Sources of data

After designing the research design the next step is to collect the data. There are two types of research data.

**Primary Data:** Primary data were obtained by structured questionnaire to investigate about the CSR activities Present in different organization. Sample survey method was used for collection of primary data.

**Secondary Data:**

Secondary data were collected by company journal, brochure, website and prospectus.

6.1.3 Sample and sampling methods:

A particular sample from population was selected for research. The sample design can be classified in two categories.

- (1) Method of Random sampling.
- (2) Method of Non random sampling.

Method of Random sampling:

In Random sampling method every population has a probability higher than zero of the being selected for the sample. This sampling method is more representative than non-random sampling.

6.1.3 Data handling tools for data analysis:

Data analysis had been done by tabular method, percentage and charts designed by spss software and graphical software.

## **7. LITERATURE REVIEW**

Arora and Puranik (2004) observed CSR trends in India. They concluded that corporate sector has got benefits from privatization and liberation processes. These processes have changed from philanthropic mindsets to CSR which has been lagging behind its financial growth and performances. R.S. Raman (2006) used content analysis techniques to analyse top 50 companies in India to view the nature of corporate responsibility. The study also concludes that Indian firms

are given more importance on product improvement and human resource development. Study also highlights the firm's responsibility towards the shareholders. Suman kalyan chaudhary et.al (2013) investigated highlighted CSR practices in 12 major Indian banking and financial institution of the country. Bank websites, annual reports, newsletter etc. were used as secondary source of data for the period of three years (2007-2010). Paper concluded that all banking and financial institutes were engaged in social banking and developments of bank approach.

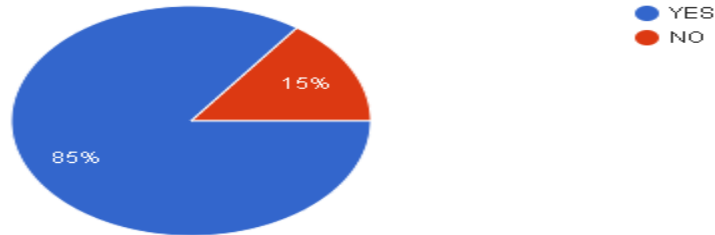
### **8. DATA INTERPRETATION & FINDINGS:**

Data was interpreted based on responses given by different respondent from different companies/Organization. The different sector companies were selected such as Engineering, Forging, chemical and pharma. The sample size of this study was 25. The analysis was done based on questionnaire filled by different respondent and accordingly findings were prepared.

**TABLE 1: The awareness of CSR as terminology**

Question	Yes	No	Total
<b>Are you aware of CSR as terminology?</b>	85%	15%	100%

ARE YOU AWARE OF CSR AS TERMINOLOGY?



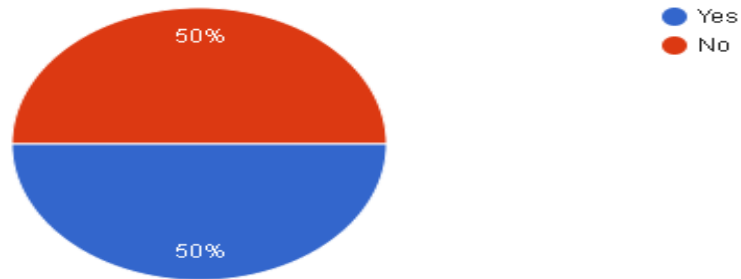
**Figure 1** view of CSR terminology

**Conclusion:** - From structured questionnaire it was concluded that 85% respondent are aware of CSR terminology, while 15% respondent do not aware of it.

**TABLE 2: Relationship between Profitability and CSR**

Question	Yes	No	Total
<b>Do you think that there is a relationship between profitability and CSR?</b>	50%	50%	100%

DO YOU THINK THERE IS A RELATIONSHIP BETWEEN PROFITABILITY AND CSR?



**Figure.2 Relation between Profitability and CSR**

**CONCLUSION:** From analysis it can be seen those 50% respondents believe that there is a relationship between profitability and CSR, while 50% do not believe this.

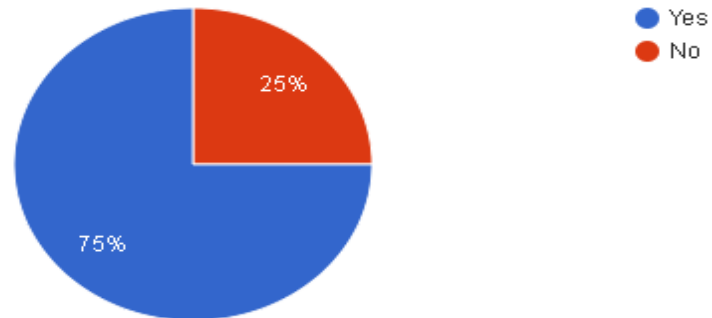
**Q.3 Does Your Company/Organisation evaluate CSR activities?**

**TABLE 3: Company Evaluate CSR Activities**

Question	Yes	No	Total
Does your Company/Organisation evaluate CSR activities?	75%	25%	100%



Does your Company/Organisation evaluate CSR activities?



**Figure.4 Evaluations of CSR activities**

**CONCLUSION:**

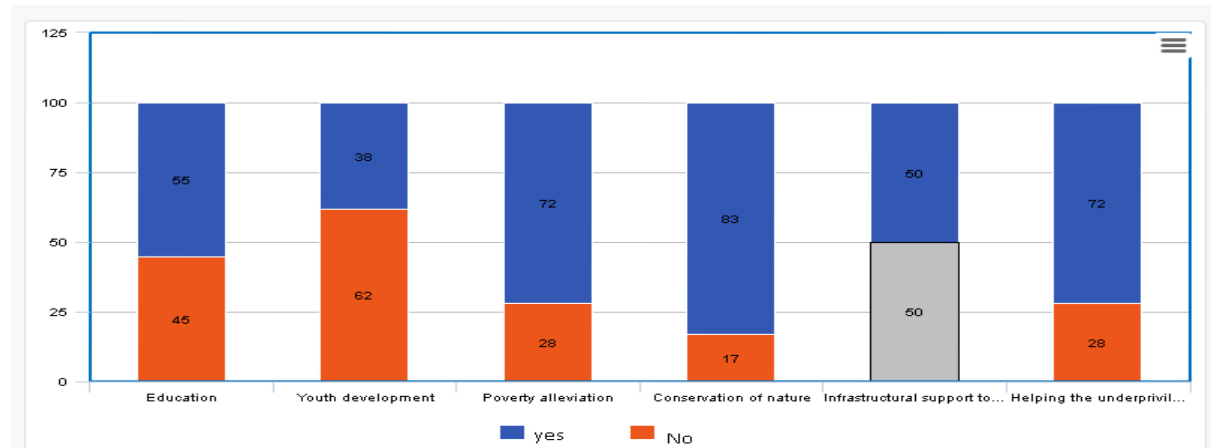
From the analysis mentioned above it is concluded that 75% corresponding companies evaluate activities for functioning of CSR. Only 25 % companies do not evaluate activities for the functioning of CSR.

**Q.4 Any community investment initiatives been taken by organization as part of CSR Activities?**

**TABLE 4: Area of Investment by Companies/Organization**

Area	Yes	No	Total
Education	55%	45%	100%
Youth development	38%	62%	100%
Poverty alleviation	72%	28%	100%
Conservation of nature	83%	17%	100%
Infrastructural support to local community	50%	50%	100%
Helping the	72%	28%	100%

underprivileged			
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**Figure 5. Organization community investment initiatives**

**CONCLUSION:**

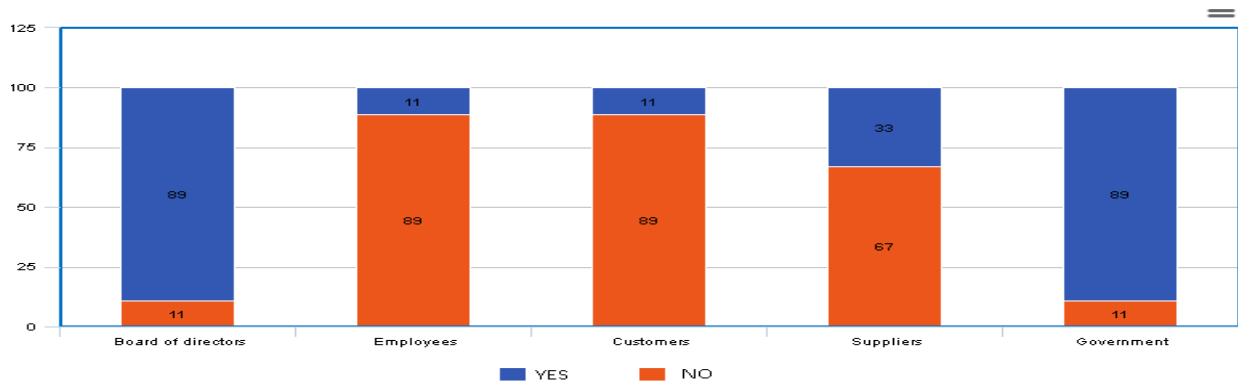
From above analysis it can be seen that Most of the companies take investment initiatives in Education, Poverty alleviation, Conservation of nature and Helping the underprivileged people.

From above graph it can be concluded that 55% companies take initiatives in education sector, 72% take initiative in poverty alleviation, 83% take initiative in conserving the nature and 72% take the initiative in helping the underprivileged people.

**Q.5 To which stakeholders do your Organisation report CSR information?**

**TABLE 5: Report Of Information By Companies/Organization**

Area	Yes	No	Total
Board of Directors	89%	11%	100%
Employees	11%	89%	100%
Customers	11%	89%	100%
Suppliers	33%	67%	100%
Government	89%	11%	100%



**Figure 6. Organization report to CSR information**

## CONCLUSION:

From the above analysis it was observed that most of the organizations report CSR information to the Government and Board of Directors.

## 9. CONCLUSION & RECOMMENDATIONS

From the study it was concluded that most of companies support CSR activities and take proper initiative for implementation and functioning of CSR activities. CSR helps an organization to maintain balance between social, economical and environmental needs to fulfil the expectation of shareholders and stakeholders. Now day's companies are taking CSR activities seriously for the development of shareholders and stakeholders.

- Measurement of social economical and environmental impact.
- Measurement of firm's policies and practices.
- Formulating plans and programs for achieving CSR.
- Generating social programs for maintaining CSR.
- Measurement of outcomes and performances of an organization.

## 10. FUTURE PERSPECTIVE:

- CSR is one of the most important aspects for sustainability of any business. It is necessary for researcher to make research for a long time.
- Various tools have to be developed for measuring dimension of CSR.

- More geographical area must be considered by researcher instead of selected companies.

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