

CSR Awareness—A Study of Indian IT Industry

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Abstract—Corporate social responsibility (CSR) has become one of the standard business practices of our time. For companies committed to CSR it means kudos and an enhanced overall reputation. This study aims to appraise the attentiveness about the CSR initiatives in Indian IT firms. Survey questionnaire method is used to collect the data. Result of the studies shows that employees in the IT firms are aware about the CSR initiatives of their companies.

Keywords: CSR, IT companies, India

1. INTRODUCTION

The establishment of a CSR strategy (sometimes referred to as a sustainability strategy) is a crucial component of a company's competitiveness and something that should be led by the firm itself. This means having policies and procedures in place which integrate social, environmental, ethical, human rights or consumer concerns into business operations and core strategy – all in close collaboration with stakeholders. For companies, the overall aim is to achieve a positive impact on society as a whole while maximising the creation of shared value for the owners of the business, its employees, shareholders and stakeholders. Not so long ago, the European Commission defined CSR as “the responsibility of enterprises for their impacts on society”, a succinct and distinct summation for sure. A 2015 study by the Kenexa High Performance Institute in London (a division of Kenexa, a global provider of business solutions for human resources) found that organisations that had a genuine commitment to CSR substantially outperformed those that did not, with an average return on assets 19 times higher. Additionally, the study showed that CSR-orientated companies had a higher level of employee engagement and provided a markedly better standard of customer service. Recent studies revealed a positive influence of CSR practices on profitability and other performance measures (Goyal et. al, 2013). Manager's awareness of CSR practices is a process of updating the knowledge, inculcating the necessary skills, improving the attitudinal behavioral inclination and improving the skills of the person for the effective application of CSR initiatives. Inculcating the educating about CSR is the primary responsibility of the companies so that managers can effectively implement the CSR activities. Increasing importance of CSR issue is generating the need of its effective

implementation. Therefore, the need for managerial awareness about the CSR initiatives has been raised and emphasized.

In the view of the lack of concentration on CSR activities and absence of research in evaluating CSR awareness and knowledge of the concept in the IT firms, the objective of the present research is to study the awareness of CSR initiatives in Indian IT companies.

The rest of paper is organized as follows. Firstly, the review of literature is presented. It includes literature about CSR awareness. After literature, research questions and hypothesis is mentioned. This is followed by research methodology and data analysis. The paper concludes with implication on academic and corporate world.

2. LITERATURE REVIEW

CSR is the latest management fad that has permeated field of managing organizations (Guthey, Langer & Morsing, 2006). The concept of CSR has acquired such significance that today it is strategically driven, operationally designed and tactically practiced in global business environment. The 30 constant debate and pressures has prompted some organizations to introduce ethical codes of conduct and engage society through social endeavors beyond organization's economic interest (Lewin, 1983; White & Montgomery, 1980). However, the concept of CSR seems to be slow, unsustainable and at its nascent stage of development. CSR encompasses those responsibilities that multinational companies and other national and international business concerns owes towards the society they operate around. The responsibility calls for the role they are morally and ethically obliged to play in reducing some of the inequalities between rich and poor, down trodden and the elite classes, privileged and the marginalized groups so on and so forth. Over the years there has been increasing interests amongst the businesses on the concept of CSR on the ground that businesses are part of society and they have obligations towards its welfare and wellbeing as they survive because of it ((Jones, 1980; Kok et. al, 2001). The intensive debate on the concept of CSR gave birth to variety of definitions however; all of them commonly agree that the philosophy of the concept revolves around the relationship of business and society over time. The wide ranging dimensions of the concept has gradually overlapped various activities and

today it fits in various managerial previews like HRM, Marketing, industrial relations, business ethics, total quality management, finance and business communication, motivation and human rights at work place etc. The changing business operating environment and societal dictates have given rise different definitions of CSR and Prof. Dr. Walter Schiebel, Siegi Pöchtrager, in their research find that CSR has a direct effect on business profitability (Walter & Siegi, 2000). The research stresses that dove tailing of CSR's core values in company's mission and vision extends business approach beyond profit maximization in to a 'value based business approach. A glance over the performance of the few of the companies operationally endowed with the policies of CSR reveals that they have not only improved their stakeholder relationship and investors confidence rather, it has earn employees loyalties thereby improving internal coordination, cutting operating costs, and improving compliance. In recent decades' huge number of studies is available in the literature related to CSR and its related issues like implementation, measurement, assessment, stakeholder's role. Literature shows a very limited amount of studies focused on evaluating the awareness of CSR and understanding the CSR issues in service sector. According to a study by Singh et al. (1980) reveals that perception about corporation's CSR actions are mostly having profit intention. Although, CSR issues are getting more attention in recent decades, but still knowledge about introduction of CSR in company is in infant stage (Caroline D. Ditlev-Simonsen, 2010; Van Velsor, 2009). Increasing educational level and knowledge about negative impact of business operations on environment is raising the recognition of the issues that companies should behave in a responsible manner (Pani, 1997). Very limited studies analyzed the manager's behavior and attitude towards CSR activities (Burton and Glodsby, 2009). In one more studies in public listed organizations in Malaysian context reveals that although managers are having little awareness about CSR but opinion about exact meaning of CSR is not similar among different managers (Ahmed and Rahim, 2005). In a study by Ditlev-Simonsen (2010) authors suggested that translator's understanding and position influences the outcome of CSR initiatives. Therefore, it is imperative that success of CSR strategy is highly dependent on manager's knowledge about organization's CSR initiatives.

Recent studies have revealed that CSR awareness is very low amongst both internal and external stakeholders (Bhattacharya et. al, 2008). Thus, organizations are unable to get strategic leverage from its CSR initiatives (Sen et. al, 2006).

3. RESEARCH METHODOLOGY

Based on research objective and referred literature following hypothesis is framed.

H1. Indian IT companies' employees are well aware of CSR initiatives.

Research Design and Instrument

The present study is based on primary data in the form of survey questionnaire collected from employees of Indian IT firms. Questionnaire is divided in two sections. The first section comprises respondents profile like gender, age, highest level of education attained, type of company, designation, years of experience, and department/section and the second section collects information on awareness of CSR initiatives based on 21 statements formulated to evaluate the perceived awareness of CSR initiatives in Indian IT sector. Five-point Likert scale ranging from (1) very little to (5) very much was used to get the awareness level of CSR initiatives of the IT firms. The target population of this study is the Indian IT sector companies. The survey is conducted between January to March 2016. Due to constraints like time and cost, convenience sampling method is used to collect the data. Even though the sampling method adopted has limitations in terms of generalizability compared to other method of sampling, it is assumed that the sample represents the whole population of companies and consumers in India. SPSS 22.0 is used to analyse the data.

4. ANALYSIS OF RESULTS

Demographic Variables

Section I of questionnaire, demographic variables used were gender, age, highest level of education attained, type of company, designation, years of experience, and department/section. Of all the respondents 68.4 percent are male and 31.6 percent are female respondents. 75.2 percent respondents are 22 to 33 years of age, 18.6 percent are 33 to 45 years of age, and remaining 6.2 percent are 45 to 60. 65 percent respondents' holds bachelor's degree, 25 percent have master's degree and the rest 10 percent have doctorate degree (Table I).

Table I: Demographic Details

Respondent Characteristics	Frequency	Percentage
<i>Gender</i>		
Male	342	68.4%
Female	158	31.6%
<i>Age</i>		
22 to 33 years	376	75.2%
33 to 45 years	93	18.6%
45 to 60 years	31	6.2%
<i>Highest level of Education attained</i>		
Bachelor's Degree	300	60%
Master's Degree	140	28%
Doctoral Degree	60	12%
<i>Designation</i>		

Market Manager/ Executive Manager/ Human Resource Manager	150	30%
Project Manager/ Senior Manager	210	42%
Manager/ Technical Manager/ Operations manager/ Sustainability Manager	140	28%
Experience		
<1 Year	50	10%
1-5 Year	125	25%
5-10 Year	250	50%
>10 Year	75	15%
Department/Section		
Products and Services	65	17%
Quality Management	60	12%
Customer Relation	40	8%
Marketing	25	5%
Information Management Services	200	40%
Operations	30	6%
Others	60	12%

The respondents consisted of Market Manager/ Executive Manager/ Human Resource Manager (30 percent), Project Manager/ Senior Manager (42 percent), Manager/ Technical Manager/ Operations manager/ Sustainability Manager (28 percent). 50 percent of respondents have 6 to 10 years of experience, 25 percent have 1 to 5 years of experience, 15 percent have more than 10 years of experience and remaining 10 percent have less than 1 year of experience. Finally, the responses received from different departments/sections are as follows: 60 from quality management (12 percent), 65 from product and services (17 percent), 40 from customer relation (8 percent), 25 from marketing (5 percent), 200 from information management services (40 percent), 30 from operations (6 percent) and 60 from remaining others (12 percent).

5. DESCRIPTIVE STATISTICS

In the present study descriptive statistics are presented like mean scores, SD, variance, skewness, and kurtosis of all the statements of CSR awareness were calculated to assess the level of awareness of CSR initiatives perceived by the respondents of Indian IT companies. The results are displayed in Table II. On five-point scale, the mean score of statement 1 (i.e. Has a written CSR policy) is 3.19, the mean score of statement 2 (i.e. Has suitable arrangements for employees' safety and welfare) is 3.54, the mean score of statement 3 (i.e. Has developed an ethical code for CSR) is 3.32, the mean score of statement 4 (i.e. Has employee volunteer programs) is 3.14, the mean score of statement 5 (i.e. Takes initiatives to reduce threats to society & environment) is 3.23, the mean score of statement 6 (i.e. Contributes to campaigns & projects that promotes the well-being of the society) is 3.23, the mean score of statement 7 (i.e. Invest great deal of time and money in various social initiatives.) is 2.9, the mean score of statement 8 (i.e. Donates

for the social welfare activities) is 3.23, the mean score of statement 9 (i.e. Regularly assess the social and environmental impact of company's activities) is 2.18, the mean score of statement 10 (i.e. Regularly assess the impact of internal policies on work culture) is 3.05, the mean score of statement 11 (i.e. Employees can give feedback and complaints to management) is 3.27, the mean score of statement 12 (i.e. Use precautionary approach to environmental challenges) is 3.34, the mean score of statement 13 (i.e. Invests in eco-friendly & clean technologies) is 3.32, the mean score of statement 14 (i.e. Give rewards to employees for environmental performance) is 3.28, the mean score of statement 15 (i.e. Takes initiatives for nuisance reduction to nearby communities (noise, smoke, odours)) is 3.32, the mean score of statement 16 (i.e. Reduce electricity consumption in the office premises) is 3.36, the mean score of statement 17 (i.e. Promotes environmental friendly services) is 2.87, the mean score of statement 18 (i.e. Conducts environmental awareness training of employees) is 3.55, the mean score of statement 19 (i.e. Conducts customer relationship training to employees) is 2.98, the mean score of statement 20 and 21 is 2.87 and 3.27 respectively. The SDs range from 0.979 to 1.535 and variances range from 0.9584 to 2.356. Fourteen statements have responses above moderate value and merely eight statements have responses below moderate value, overall mean responses remained between "moderate" and "much." The higher values of SD and variance also indicate the large deviations from mean value. This means that the awareness of CSR initiatives and its measuring statements are an approximation to a normal distribution. Further, the skewness and kurtosis shown in Table II are generally close to zero, indicating that the assumption of normality appears not to be violated (Joanes and Gill, 1998; Groeneveld and Meeden, 1984). It can also be seen from Table II that the mean score of CSR awareness statements. Minimum value was 2.87 and maximum value was 3.55. Most of the score was near to the moderate score. This suggested that in general, equal importance had been given to all the statements of awareness rather than emphasizing individual CSR awareness statements.

Table II: Descriptive Statistics

Statement No.	Mean	Std. Deviation	Variance	Skewness	Kurtosis
CS1	3.19	1.15	1.3225	-0.0062	-0.69
CS2	3.54	1.01	1.0201	-0.5522	0.395
CS3	3.32	0.979	0.958441	-0.0612	-0.021
CS4	3.14	1.105	1.221025	-0.0802	-0.396
CS5	3.23	1.214	1.473796	-0.0012	-0.735
CS6	3.23	1.198	1.435204	0.1368	-0.626
CS7	2.9	1.067	1.138489	0.1128	-0.172

CS8	3.23	1.084	1.17505 6	-0.0012	-0.695
CS9	3.18	1.038	1.07744 4	0.4318	-0.013
CS10	3.05	1.085	1.17722 5	0.0028	-0.494
CS11	3.27	1.15	1.3225	-0.3872	-0.488
CS12	3.34	1.095	1.19902 5	0.0468	-0.317
CS13	3.32	1.105	1.22102 5	-0.0992	-0.333
CS14	3.28	1.309	1.71348 1	-0.0002	-0.942
CS15	3.32	1.155	1.33402 5	-0.0302	-0.6
CS16	3.36	1.199	1.43760 1	-0.3252	-0.425
CS17	2.87	1.188	1.41134 4	0.1898	-0.611
CS18	3.55	1.535	2.356	0.0058	-0.453
CS19	2.98	1.471	2.164	0.1238	-0.326
CS20	2.87	1.25	1.5625	0.1298	-0.899
CS21	3.27	1.273	1.62052 9	-0.0722	-0.9

6. PEARSON'S CORRELATION ANALYSIS

A multicollinearity check was done on all the 21 awareness assessing statements. Multicollinearity is a statistical situation in which the two variables are very highly correlated or have high linear relation. It is indicated when the inter-correlation between two variables exceeds 0.90 (Hair et al., 1998). Correlation analysis was also performed to explore the relationships between all the variables.

A Pearson's correlation analysis was carried out to evaluate the bivariate relationships among the CSR awareness statements. The bivariate correlation procedure was subject to a two-tailed test of statistical significance at the 0.01 level of significance. All correlations coefficients are larger than 0.22 (Annexure I). The highest coefficient of correlation in this research, however, is 0.845, which is below the cut-off of 0.90 for the multicollinearity problem (Talib et. 2011). Thus, collinearity and multicollinearity problem do not represent data problems in this part of research study (Hair et al., 1998). Hence, the findings showed that the respondents are aware of CSR initiatives by their companies.

7. CONCLUSION

This paper is an attempt to assess the CSR awareness among managers of Indian IT firms. This study concludes that the respondent managers are fairly aware about the CSR initiatives of their own organization. The findings are in favor of our hypothesis. The results can be interpreted as the managers have a positive opinion about CSR initiatives rather than purely profit motive. Managers are actively supporting the CSR initiatives of their organization. The study can be further refined by adding new variables to make findings more generalized.

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Appendix 1 – Correlation Matrix

	CS 1	CS 2	CS 3	CS 4	CS 5	CS 6	CS 7	CS 8	CS 9	CS 10	CS 11	CS 12	CS 13	CS 14	CS 15	CS 16	CS 17	CS 18	CS 19	CS 20	CS 21
C S1	1	0.71	.642*	.415**	.597*	.618*	.743*	.655**	.513**	.582*	.533*	.296*	0.238	0.134	.292*	.388*	.554*	.490*	0.241	0.431	.523*

C S2	0.71		.648**	.367**	.414*	.469*	.625*	.674**	.398**	.623*	.454*	0.179	0.178	0.158	0.253	.541*	.446*	.520*	0.09	0.282	.575*
C S3	.642*	.648*		.589**	.654*	.715*	.513*	.539**	.480**	.442*	.328*	0.089	.220*	0.017	.344**	0.229	.388*	.393*	0.860*	0.743	.320*
C S4	.415*	.367*	.589**		.675*	.604*	.411*	.438**	.555**	.563*	.293*	.302*	.381*	.362*	.364**	0.183	.348*	.328*	0.102	0.757*	.259*
C S5	.597*	.414*	.654**	.675**		.722*	.587*	.556**	.578**	.460*	.338*	.267*	.431*	0.204	.413**	0.241	.501*	.439*	0.224*	0.066	.302*
C S6	.618*	.469*	.715**	.604**	.722*		.594*	.644**	.572**	.567*	.470*	.271*	.424*	0.173	.519**	.428*	.507*	.576*	0.677*	0.518*	.457*
C S7	.743*	.625*	.513**	.411**	.587*	.594*		.760**	.526**	.557*	.558*	.311*	.346*	0.227	0.232	.518*	.612*	.634*	0.358	0.199	.555*
C S8	.655*	.674*	.539**	.438**	.556*	.644*	.760*		.588**	.560*	.644*	.405*	.486*	.306*	.423**	.739*	.653*	.710*	0.480*	0.321*	.719*
C S9	.513*	.398*	.480**	.555**	.578*	.572*	.526*	.588**		.362*	.385*	0.159	.318*	0.231	.458**	.388*	.579*	.481*	0.603*	0.444*	.369*
C S10	.582*	.623*	.442**	.563**	.460*	.587*	.557*	.560**	.362**		.659*	.486*	0.235	.333*	.306*	.459*	.451*	.558*	0.726*	0.567*	.519*
C S11	.533*	.454*	.328*	.293*	.338*	.470*	.558*	.644**	.385**	.659*		.415*	.365*	.264*	.450**	.750*	.524*	.635*	0.334*	0.53	.740*
C S12	.296*	0.179	0.089	.302*	.267*	.271*	.311*	.405**	0.159	.486*	.415*		.462*	.446*	0.172	.331*	.388*	.385*	0.972*	0.813*	0.25
C S13	0.238	0.178	.220*	.381**	.431*	.424*	.346*	.486**	.318*	0.235	.365*	.462*		.443*	.317*	.342*	.360*	.352*	0.956*	0.797*	.383*
C S14	0.134	0.158	0.017	.362**	0.204	0.173	0.227	.306*	0.231	.333*	.264*	.446*	.443*		0.145	.307*	.396*	.397*	0.796*	0.637*	.395*
C S15	.292*	0.253	.344**	.364**	.413*	.519*	0.232	.423**	.458**	.306*	.450*	0.172	.317*	0.145		.379*	.488*	.476*	0.594*	0.777	.450*
C S16	.388*	.541*	0.229	0.183	0.241	.428*	.518*	.739**	.388**	.459*	.750*	.331*	.342*	.307*	.379**		.540*	.689*	0.512*	0.353*	.825*
C S17	.554*	.446*	.388**	.348**	.501*	.507*	.612*	.653**	.579**	.451*	.524*	.368*	.360*	.396*	.488**	.540*		.830*	0.563	0.404*	.652*
C S18	.490*	.520*	.393**	.328*	.439*	.576*	.634*	.710**	.481**	.558*	.635*	.385*	.352*	.397*	.476**	.689*	.830*		0.686*	0.527*	.800*
C S19	0.241	0.09	0.860*	0.710*	0.481	0.331	0.101	0.950*	0.720*	0.571	0.334*	0.19	0.96*	0.81*	0.594*	0.437	0.204	0.785		0.40*	0.44
C S20	0.431	0.282	0.743	0.901	0.671	0.521	0.291	1.141	0.141	0.761	0.53	0.38	0.522	0.769	0.777	0.627	0.394	0.975	0.256*		0.634
C S21	.523*	.575*	.320*	.259*	.302*	.457*	.555*	.719**	.369**	.519*	.740*	0.25	.383*	.395*	.450**	.825*	.652*	.800*	0.529	0.43*	1