

## CSR Activities in India - A Report w.r.t. IT Industries

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**Abstract** – In the present epoch business is recognized as a social and economic institution which cannot live in isolation. The business has to discharge its responsibility towards society. Majority of the businesses across the world realized the importance of associating and doing the social relevant activities as a means to promote their brands and to improve their positive image. Enterprises are part of the society and therefore need to contribute towards the protection of the environment and development of the society.

For decades there has been a debate about the environmental and social responsibilities of companies. For a long-term existence, business sectors adopted Corporate Social Responsibilities (CSR) as a corporate routine. In the present era, CSR actions became as a part and parcel of the business activities.

In the present paper an attempt is made to know the CSR activities of various IT industries for betterment of the society.

**Keywords** – Corporate Social Responsibility, CSR Initiatives, Economy, Employees, Society.

### I. INTRODUCTION

Most of the businessmen today feel that the primary objective is not merely profit maximization but it also consists of contributing something towards solving the problems of their employees, consumers and developing the society at large.

The concept of “Social Responsibilities” includes the responsibilities towards itself, shareholders, employees, other business firms, government, customers/consumers, and creditors and to the society. It also includes improving the public image of the firm by doing ethical things and by following humane approach. By the effective CSR practices of the companies, all the stakeholders of the organisation like vendors, the associates of business, and traders/customers would have more confidence on the organization and it leads to profit maximization, reputation and the sustainability of the company.

### II. CURRENT STATE OF CSR IN INDIA

The concept of CSR is not new in India. Since its inception, business houses like Tata, Aditya Birla, and Indian Oil Corporation, to name a few have been involved in serving the community. Through charity events and donations, many other sectors are doing their part for the development of the society. The primary aim of CSR is to maximize the company's overall impact on the stakeholders. The policies and programs of CSR are being broadly integrated by an increasing number of companies

throughout their business processes and operations. Majority number of businesses feels that CSR is not a form of indirect expense but is important to get retain the goodwill and to increase the reputation of business competitiveness.

Some companies are having separate CSR team/Department which formulates policies, for their CSR programs and identifies the budgetary requirements. CSR programs are determined by clear objectives of social philosophy, well defined and are aligned with the mainstream of business. CSR programs are practiced by the effective and efficient employees. These programs ranges from development of the community to development in healthcare, education and environment etc.

For example, a more comprehensive approach of development is adopted by some sectors such as Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited. These corporations focus on the providing the facilities like medical and sanitation, building-up of houses and schools, and providing vocational classes and training on knowledge of business operations etc., to the villagers to make them self-reliant and a knowledge of business operations etc.,

On the other hand, few businesses like Glaxo Smith Kline Pharmaceuticals’ CSR initiations aim on the health aspect of the community. They offer medical check-ups and treatment, undertake health awareness programs by setting health camps in the tribal villages.

In order to bring about the changes in the current social position in India and for effective solution for the social despairs, every business should take the initiation of CSR activities. The combination of the skills, expertise, strategic thinking, human power and money should be facilitated with the collaboration of the companies, NGOs and the Government to get the changes in the socio-economic development of India.

CSR (Corporate Social Responsibility) symbolizes the relationship shared between a company and the wider community. Business has to recognize the fact that it is bound by the welfare of the community. Thus the objective of every responsible corporate is to fulfill the obligation to contribute to the community in which it operates as well as draw from the same.

World Business Council for Sustainable development (WBCSD) defined CSR as “the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of workforce and their families as well as of the local community and society at large.”

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**III. CSR - ITS DIFFERENT DIMENSIONS**

The following table explains the different dimensions of CSR popularly known as the economic, social,

environmental, stakeholder and voluntariness. Analysis of different definitions and interpretations reveal that they all fall under any one of the dimensions as mentioned in the table below.

Table : Dimensions of CSR

Dimensions	Reference	Explanation
Environment	Nature	Business processes should be aware of the environmental concerns.
Social	Society	Business processes should integrate societal concerns and its impact on societies.
Economic	Financial aspect	Ensuring profitability in Business operations.
Stakeholder	Groups like employees, customers, suppliers/vendors, communities etc.	Business operations and its interactions with stakeholders.
Voluntariness	Action which beyond legal obligations.	Actions based on ethical and moral values.

**IV. LITERATURE REVIEW**

**Ruchi Tewari and Darshanadave (2010)** made a study of 25 companies in steel, cement, oil, banking and IT sectors, and comparison study done on CSR involvement in those sectors. The study consists of four key parameters such as health care, education, environment, community welfare and infrastructure. It was found that IT sector emerged as champions in adopting CSR as well as in the execution of the same too. While judging the CSR performances of various sectors, IT companies ranks first in all the above four parameters. It clearly shows that CSR is well incorporated as a part of the business strategy of the IT sectors, because of which it enjoys the reputation of being a CSR champion.

**Seema Sharma (2011)** examines 17 Indian Companies and has concluded that there is duplicity of initiatives undertaken by organizations in the areas like infrastructure development and education, there is no shared effort by the companies to make a considerable effect. She feels that every company views CSR as an exercise in image building and each of them want to be known separately for it.

**Nilesh R. Bered (2012)** done a research on CSR activities of Indian companies, and found that the focused areas of Indian companies are Education 85%, Health 67.55% and rural development and Livelihoods 57.45%. He lists the Drivers pushing business towards CSR are increased customer interest, growing investor pressure, competitive labour markets, supplies relations, demand for greater disclosure and the shrinking Role of Government etc.,

**Dr. Sabyasachi Rath, Ms. Mousumi Singha Mohapatra, Prof. C. Jagdish Reddy (2014)**, Impact of CSR Practices on Brand Value” - A Study of Indian Organizations – concluded that the accomplishment of any CSR activities should be considered against their affect on

the overall brand reputation. A sustained CSR program that reflects the core values of the brand and contributes to delivering the brand promise will ultimately lead to an improved brand perception amongst the brand's key stakeholders over time and thus increase and protect the brand's value.

**Mr. Neelmani Jaysawal and Mrs. Sudeshna Sahai (2015)**, in the research titled Corporate Social Responsibility (CSR) in India: A Review, proved that CSR to be an important landmark in the arena of peaceful co-existence of business and society. On one hand, through their developmental interventions, industrial houses have garnered public support, on the other, common people have actively supported these enterprises visualizing its transcendental nature. The further statutory provision has made CSR obligatory for all the industries and regulated its expansion so that the ultimate objective may be fulfilled.

**Dr. B. K. Jha & Rini Singh (2016)**, in a research paper – “Corporate Social Responsibility in India” revealed that the Companies’ bill is a good initiative from the side of the government however, what would spend on CSR is left to the companies’ decision. Across the globe, it has been accepted that the concept of CSR is a vital aspect for success and existence of business along with satisfying social objectives. However, determining a strong and innovative CSR strategy, which should improve the performance in ethical, social and environmental areas to meet all the stakeholders’ expectations, is a big challenge for the companies.

**V. SCOPE OF THE RESEARCH**

- 1) The scope of the present study is limited to Bangalore.
- 2) The scope of research is limited to IT Industries.

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3) The companies are been selected based on the NASSCOM ratings from the years from 2010-11 to 2014-15.

**V. OBJECTIVES OF THE RESEARCH**

This study, in general aims to find out the impact of CSR on the sustainability of the business. The primary focus has been given to know the extent of CSR activities of the IT industries.

**VII. DATA ANALYSIS AND INTERPRETATION**

To study the extent of CSR activities of the IT industries, a structured questionnaire is prepared and distributed with the use of the web media, to the employees working in various IT companies in Bangalore. In this analysis part, first section consists of the demographics features of the employees, and the second part consists of the cumulative response of the employees towards the structured questionnaire related to CSR initiatives of the company.

**7.1.1. Gender of the Respondents**

The following are the details of the demographic for IT professionals for male and female. Table 7.1.1. reveals, out of 400 counts, males represents the majority of the sample at 71.3% and females constituted 28.7% of the sample.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	115	28.7	28.7	28.7
Valid Male	285	71.3	71.3	100.0
Total	400	100.0	100.0	

Table 7.1.1: Gender Representation of IT Professionals

**7.1.2. Age**

The Table 7.1.2 gives the information of different age groups of IT professionals. The largest category i.e, 31.3% of the respondents are the age group of <25 years. The respondents from the age groups of 26-30 years 31-40 years and 30.3% and 28% respectively, of the sample. The respondents from the age group of >41 years constituted 10.5% of the sample out of 400 sample count.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <25	125	31.3	31.3	31.3
Valid 26 -30	121	30.3	30.3	61.5
Valid 31 -40	112	28.0	28.0	89.5
Valid >41	42	10.5	10.5	100.0
Total	400	100.0	100.0	

Table 3.1.2: Age Group of IT Professionals

**7.1.3 Marital Status**

The Table 7.1.3 represents marital status of the sample. The respondents who are married constituted 45.3% and unmarried/single respondents' stands at 54.8%.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	181	45.3	45.3	45.3
Valid Unmarried	219	54.8	54.8	100.0
Total	400	100.0	100.0	

Table 3.1.3: Marital Status of IT Professionals

**7.1.4 Current level of employment of respondents**

Current level of employment refers to the level of respondents in the organization in which they are working currently. The Table 7.1.4 represents level of employment of IT professionals in the current organization. The largest category, constituting 67.5% of the samples of the respondents are in the junior level and 32.5% are the respondents are in the middle level in the selected sample.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Junior Level	270	67.5	67.5	67.5
Valid Middle Level	130	32.5	32.5	100.0
Total	400	100.0	100.0	

Table 7. 1.4: Current level of employment of IT professionals

**7.1.5 Current Experience levels of respondents**

Current experience levels refer to the work experience of the respondents in the organization in which they are working currently. The Table 3.1.5 represents the work experience of IT professionals in the current organization. The single largest category, constituting 43% of the sample of the respondents had experience between two to five years in that company. It was followed, 31.3% by those who had current experience of less than two years. The respondents having current experience of more than five years constituted the remaining 25.8% of the sample.

	Frequency	Per cent	Valid Percent	Cumulative Percent
Valid <2 years	125	31.3	31.3	31.3
Valid 2 -5 years	172	43.0	43.0	74.3
Valid > 5 Years	103	25.8	25.8	100.0
Total	400	100.0	100.0	

Table 7.1.5: Current Experience levels of IT professionals

**7.2.1. Formalized ethics code or a CSR policy of the company**

A specific CSR policy of the firms will place CSR initiatives on a sustainable basis. The firm without a policy may initiate activities depending on the availability of funds. In an attempt to understand the seriousness of the firms, an enquiring about the policy

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was made. Based on the data collected, it is observed that all the firms believed in CSR activities. But only 55.3% of firms have separate policy for CSR initiatives. The other 44.8% of them has CSR initiatives, but there is no specific policy.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	221	55.3	55.3	55.3
Valid No	179	44.8	44.8	100.0
Total	400	100.0	100.0	

Table 7.2.1: Formalized ethics code or a CSR policy of the company

7.2.2. Existence of Separate CSR Department in the company

Different firms initiate different activities depending on the objective of the firms, their vision and the CSR policy. Some of the companies may have a separate CSR Department to care the practices what they formulated, few companies may implement the CSR activities without separate Department. Based on the data collected, it is observed that, even though each organization is involving in the CSR practices, but only 67.8% said that they have separate CSR department and the remaining 32.3% said CSR practices are there, but there is no separate department for it.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	271	67.8	67.8	67.8
Valid No	129	32.3	32.3	100.0
Total	400	100.0	100.0	

Table 7.2.2: Existence of separate CSR Department in the company

7.2.3. Existence of Ethics Officer/Counselor/CSR Manager

Almost all the IT industries are having CSR initiatives, but few companies only having, separate departments as well as Policies towards implementation of CSR activities, and only few companies appointed the CSR Manager/Ethics Officer/Counselor to carry out the activities formulated in the company. Based on the collected data, it is clear that 66% respondents accepted that they are maintaining a separate Manager/Officer for the CSR activities and the remaining 34% said that no separate in-charge is appointed for CSR activities.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	264	66.0	66.0	66.0
Valid No	136	34.0	34.0	100.0
Total	400	100.0	100.0	

Table 7.2.3. Existence of Ethics Officer/Counselor/CSR Manager

7.2.4. Transparency of business actions and CSR policies of the companies

Table 7.2.4 represents the transparency of the CSR policies and the actions of the companies. From the table, it is clear that majority 85.8% of respondents accepted that their company is transparent towards the CSR actions, and the remaining 14.2% felt that there is no transparency in the actions.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	343	85.8	85.8	85.8
Valid No	57	14.2	14.2	100.0
Total	400	100.0	100.0	

Table 7.2.4. Transparency of business actions and CSR policies of the companies

7.2.5. Proper Reporting Channel for CSR Activities

Table 7.2.5 represents the existence of appropriate channel for reporting CSR activities of the company. From the data collected, it is clear that majority of the companies having reporting channel in the organization for CSR activities. 88.3% of the respondents accepted and 11.8% respondents said that their company is not having any reporting channel.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	353	88.3	88.3	88.3
Valid No	47	11.8	11.8	100.0
Total	400	100.0	100.0	

Table 7.2.5. Proper Reporting Channel for CSR Activities

7.2.6. Review of the CSR activities and initiatives

Majority of the companies are reviewing the CSR activities and initiatives what they implement. From the analysis, it is clear that 86.5% of the respondents of the sample said yes, and 13.5% of the respondents opted for no for the statement about the reviewing of the CSR activities and initiatives in the company.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	346	86.5	86.5	86.5
Valid No	54	13.5	13.5	100.0
Total	400	100.0	100.0	

Table 7.2.6. Review of the CSR activities and initiatives

7.2.7. Involvement of employees in the execution of various CSR projects

Table 7.2.7 represents the involvement of the employees in the execution of various CSR projects. Based on the data it is clear that, 73.8% respondents accepted and 26.3% said 'NO' for the statement that the employees will be involved in the execution of various CSR projects.

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	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	295	73.8	73.8	73.8
No	105	26.3	26.3	100.0
Total	400	100.0	100.0	

Table 7.2.7. Involvement of employees in the execution of various CSR projects

**7.2.8. Involvement of Govt Institutions in the execution of various social programs**

Table 7.2.8 represents the involvement of Govt Institutions in the execution of various social programs. Based on the data it is clear that, 74% respondents accepted and 26% said 'NO' for the statement that the organization involves the Govt Institutions in the execution of various social programs.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	296	74.0	74.0	74.0
No	104	26.0	26.0	100.0
Total	400	100.0	100.0	

Table 7.2.8. Involvement of Govt Institutions in the execution of various social programs

**7.2.9. Weightage to local people while recruiting**

Table 7.2.9 represents the weightage given by the company to the local people while recruitment process. Based on the analysis, it is clear that majority of the companies (80.5% respondents) are giving the weightage to the local people, and remaining (19.5%) of the companies are considering.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	322	80.5	80.5	80.5
No	78	19.5	19.5	100.0
Total	400	100.0	100.0	

Table 7.2.9. Weightage to local people while recruiting

**7.2.10. Healthcare policy for employee**

Table 7.2.10 represents the implementation of healthcare policy in the company. From the collected data, it is clear that, 75.8% of the respondents are having positive opinion and the remaining 24.3% are of negative for the statement that the provision of healthcare policy by the company.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	303	75.8	75.8	75.8
No	97	24.3	24.3	100.0
Total	400	100.0	100.0	

Table 3.2.10. Healthcare policy for employee

**VIII. CONCLUSION**

Corporate Social responsibility has achieved critical levels of importance in the current socio-economic global scenario. In times, when many governments are not in a position to spend resources on social development activities the corporations with their huge resources can become crucial partners in socio economic development processes in the form of CSR. While the basic objectives of any corporations are to make profits, they have realized the importance of the larger society in which they operate to thrive. Hence the corporations should actively participate and invest in social economic development in the form of CSR.

Overall, the available information compiled from all sources indicate that IT companies are well positioned to work under the next regime of CSR mandate as prescribed by the new Companies Bill. Currently most of the Indian companies do not have a dedicated department for CSR and managed by corporate communication or human resources division as additional responsibilities. Hence CSR activities in most of the companies are handled by managers who don't focus exclusively on CSR and hence the performance on this front as a whole suffers. As a result, the managers assigned with CSR as additional as charge rely mostly on external agencies and NGO's for conceiving, managing and implementing CSR activities.

Based on the primary observations, it is clear that the male ratio is more when compared to the female, and almost all the respondents are of the age group between of 25 years to 40 years, less portion of employees are above 40 years. Majority of the respondents in the sample are unmarried. The junior level of employees responded well compared to middle level, and majority of the respondents are of 2-5 years experience in the current organisation, and almost the equal proportionate are of below 2 years or above 5 years.

Based on this study, it is found that very few IT firms have separate policy for CSR initiatives. And it is also observed that majority of the IT companies execute the CSR activities without having separate CSR Dept/CSR manager/counselor. Most of the IT companies' CSR actions are transparent and having appropriate channel for reports the activities. Almost all the IT/ITES based firms are involving its employees and Govt Institutions in the execution of various CSR projects and social programs.

CSR is an enormous opportunity for companies to utilize and help contribute to the development of the country and society at large.

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