

# An Analysis on CSR Initiatives towards Employees W.R.T. Various Companies in Southern India

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## Abstract

In recent years, large numbers of corporate executives, scholars, media personnel and environmentalists have been devoting significant amounts of their time in studying, theorizing, and explaining about corporate social responsibility (CSR). From the earlier researches it is reported that nearly all the companies were engaged in social responsibility work, however, the level of involvement is varied. In this paper, an attempt is made to report various aspects relating to management of social responsibility as perceived and reported by the employees working in various IT Industries, Pharmaceutical companies and Banking sectors.

**Keywords-** Corporate Social Responsibility, profitability, employees, stakeholder, environment, IT industries, pharmaceuticals companies, Banking Sectors

## I. INTRODUCTION

One of the more popular concepts in business today is the notion of corporate Social responsibility (CSR). It is defined as the actions of firms that contribute to social welfare that is beyond what is required for profit maximization. This includes activities such as initiatives for rural health development, school improvement projects such as establishing educational trusts and providing assistance in kind, creating relief programs for natural disasters and encouraging employees to voluntarily participate in such community development efforts.

The approach to social responsibility changed once again under colonial rule, in the 19th century, with industrial families such as Tata, Godrej, and Bajaj investing in social development around their area of operations. The key work here is investing'. Businesses in the earlier days also invested in social development, but always by expecting the returns. A business organization may not have the same extent of social obligation towards the different stakeholder groups via, shareholders, consumers, employees, creditors, suppliers, government and community.

Every firm differs in the way it implement CSR in strategic business practices, with its size, operating industry, stakeholder demands, historical CSR engagement, level of diversification, research and development and labour market conditions a few of the factors that determine this decision making. One side of the coin confirms the benefits colligated with good reputation, while the other indicates that a firm's costs of adhering to ethical standards will translate into higher product prices, a competitive disadvantage and lower profitability.

Some entities often have separate management teams with common advisory – the CSR vision, programs, accounting and reporting remains independent. CSR initiative does not always benefit from the organization's expertise in terms of research, innovation, technology, learning of scale, or measure of impact, which ultimately seals its fate to a low budget, low engagement, and low accountability agenda.

## II. OBJECTIVES OF THE STUDY

The following are the main objectives of this study:

- To assess the various CSR initiatives implemented by different IT Industries.
- To evaluate the various CSR initiatives implemented by different Pharmaceutical Companies.
- To know the various CSR initiatives implemented by different Banking Sectors.
- To map the information collected from the employees of various IT, pharmaceuticals, Banking Sectors.

### III. RESEARCH METHODOLOGY

The paper consists of both primary and secondary data. Primary data has been collected through the distribution of questionnaire to the employees working in various IT Industries, pharmaceutical companies and banking sectors. The secondary data sourced from journals, articles etc., related to CSR.

### IV. DATA ANALYSIS AND INTERPRETATION

A questionnaire covering few aspects related to the facilities/benefits provided to the employees in the organization is prepared and is distributed among the executives/employees working in various IT Industries, Pharmaceutical companies and Banking sectors. A sample of 142 employees from IT, 136 from pharmaceuticals and 113 from banking sectors provided usable filled in questionnaire. Data are analyzed with the help of percentages analysis.

#### A. Does Your Company Have a Formalized Ethics Code or a Policy for CSR Involvement?

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 104        | 73.24 | 96              | 70.59 | 82              | 72.57 |
| 2     | No      | 38         | 26.76 | 40              | 29.41 | 31              | 27.43 |

##### 1) Interpretation

From the above table, it is clear that 73.24% of employees from IT sectors, 70.59% from pharmaceuticals, and 72.57% from Banking accepted that their companies have ethical code/CSR policy in the Company prospects. i.e., majority of the companies (taken in the survey) are involving the CSR activities.

#### B. Does the Company Have an Ethics Officer/Counsellor or a CSR Manager?

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 88         | 61.97 | 92              | 67.65 | 68              | 60.18 |
| 2     | No      | 54         | 38.03 | 44              | 32.35 | 45              | 39.82 |

##### 1) Interpretation

From the above table, it can be inferred that 61.97% of employees from IT sectors, 67.65% from pharmaceuticals, and 60.18% from Banking accepted that their companies appointed a separate Ethics Officer/CSR Manager to execute the formulated activities. i.e., even though the companies are having separate CSR code, very few appointed the CSR Manager to care the activities.

#### C. What Sources of Funding are used/allocated for CSR Initiatives?

| S.No. | Options                         | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------------------------------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Percentage in the profits       | 73         | 51.41 | 84              | 61.76 | 55              | 48.67 |
| 2     | Allocation in the annual Budget | 69         | 48.59 | 52              | 38.24 | 58              | 51.33 |

##### 1) Interpretation

From the above table, it is found that 51.41% of employees from IT sectors, 61.76% from pharmaceuticals, and 48.67% from Banking believed that their companies are spending percentage in the profits towards the CSR activities, and the remaining employees believe that their company allocates a fixed amount of budget for CSR implementation. It is clear from the above, that most of the banking sectors are preferring to allocate a fixed budget towards CSR initiations.

#### D. Does Your Organization Provide Fair Compensation?

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 94         | 66.19 | 90              | 66.18 | 58              | 51.33 |
| 2     | No      | 48         | 33.81 | 46              | 33.82 | 55              | 48.67 |

##### 1) Interpretation

From the above table, it is clear that 66.19% from IT sectors, 66.18% from pharmaceuticals, and 51.33% from banking employees feels satisfied with the compensation system of their company and remaining employees are not satisfied with those practices.

#### E. Does Your Organization Provide Health Care for the Employees Including Health Assistance, Maternity Leave?

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 124        | 87.32 | 112             | 82.35 | 92              | 81.42 |
| 2     | No      | 18         | 12.68 | 24              | 17.65 | 21              | 18.58 |

1) *Interpretation*

From the above table, it is revealed that 87.32% from IT sectors, 82.35% from pharmaceuticals, and 81.42% from banking sectors are providing health and medical facilities to its employees. i.e., majority of these sectors are providing health and medical facilities.

**F. Does Your Organization Provide Loan Facility to the Employees?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |     |
|-------|---------|------------|-------|-----------------|-------|-----------------|-----|
| 1     | Yes     | 96         | 67.61 | 74              | 54.41 | 113             | 100 |
| 2     | No      | 46         | 32.39 | 62              | 45.59 | 0               | 0   |

1) *Interpretation*

From the above table, it is clear that 67.61% of employees from IT sectors, 54.41% from pharmaceuticals, and 100% from Banking accepted that their companies is having the facility of providing loans (educational/medical/personal etc) to the employees. In this parameter, banking sector stood in the first position.

**G. Does Your Organization Have Policies for the Training and Development for Employees?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 118        | 83.09 | 116             | 85.29 | 88              | 77.88 |
| 2     | No      | 24         | 16.91 | 20              | 14.71 | 25              |       |

1) *Interpretation*

The above table gives the information of the training and development policies implemented in the companies. It is clear that, 83.09% of employees from IT sectors, 85.29% from pharmaceuticals, and 77.88% from banking, are regularly involving in the training programs organized by the Companies.

**H. Does Your Organization Organize Games & Sports to the Employees?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 76         | 53.52 | 82              | 60.29 | 96              | 84.96 |
| 2     | No      | 66         | 46.48 | 54              | 39.71 | 17              | 15.04 |

1) *Interpretation*

The above table gives the information of Games & Sports events organized by the companies to the employees. It is revealed that, 53.52% of employees from IT sectors, 60.29% from pharmaceuticals, and 84.96% from banking accepted that the company is organizing Games & Sports events as a part of the refreshment activities.

**I. Does Your Organization Have Promotion Policies for Women and Minorities?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 122        | 85.91 | 62              | 45.59 | 98              | 86.73 |
| 2     | No      | 20         | 14.08 | 74              | 54.41 | 15              | 13.27 |

1) *Interpretation*

The above data reveals the information related to companies policies for women and minority employees. It is revealed that, 85.91% of employees from IT sectors, 45.59% from pharmaceuticals, and 86.73% from banking accepted that the company is organizing is having policies for promoting women and minorities in the employment. Pharmaceuticals are showing less priority this parameter.

**J. Does Your Organization Provide Good Working Conditions?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 86         | 60.56 | 82              | 60.29 | 72              | 63.72 |
| 2     | No      | 56         | 39.44 | 54              | 39.71 | 41              | 36.28 |

1) *Interpretation:*

The above data reveals the information related to the maintenance of working conditions in the company. 60.56% of employees from IT sectors, 60.29% from pharmaceuticals, and 63.72% from banking, acknowledged that the companies provides good working conditions.

**K. Does Your Organization Have Effective Grievance Handling System?**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 116        | 81.69 | 98              | 72.06 | 90              | 79.65 |
| 2     | No      | 26         | 18.31 | 38              | 27.94 | 23              | 20.35 |

1) *Interpretation*

The above data reveals the information Grievance Handling System in the companies. Employees of 81.69% from IT sectors, 72.06 from pharmaceuticals, and 86.73% from banking accepted that the company is maintaining the Grievance Handling Committee to resolve the grievances.

**L. Does Your Organization Encourage Volunteering of Employees for Community Development Activities**

| S.No. | Options | IT Sectors |       | Pharmaceuticals |       | Banking Sectors |       |
|-------|---------|------------|-------|-----------------|-------|-----------------|-------|
| 1     | Yes     | 108        | 70.06 | 104             | 76.47 | 64              | 56.64 |
| 2     | No      | 34         | 23.94 | 32              | 23.53 | 49              | 43.36 |

1) *Interpretation*

The above data it can be identified that, 70.06% of employees from IT sectors, 76.47% from pharmaceuticals, and 56.64% from banking, are encouraged by the organizations for volunteering Community Development Activities.

## V. CONCLUSION

Based on the findings, it can be concluded that majority of managements are favorable to social responsibility, few other organization tend to view CSR as something optional that is disparate from their main goal of profit maximization, and sometimes a necessary evil to build reputation with their stakeholders.

From this study, it is very clear that majority of the companies have separate code of ethics to implement CSR activities. Few companies prefer to allocate in the annual budget and few prefers to use the percentage of profits for CSR implementation. In providing the loans to the employees, conducting recreational programs, policies promoting for women and minorities Banking sectors stood in the top position; health & medical provisions, fair compensation, grievance handling system and working conditions provisions IT sector occupies top ranking and in the T & D programs and Community Development activities pharmaceuticals occupied top positions.

Many organizations have made explicit commitment to social responsibility and communicated it to their employees, even if there is no profit potential social activities are to be undertaken by the companies. Managers are of the view that industry caused social good and also evil. CSR needs to always move towards community benefit at the cost of business.

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