



STAKEHOLDERS' VIEWS ON DIMENSIONS AND RESPONSIBILITIES OF CSR – AN EMPIRICAL STUDY

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Abstract: *Corporate Social Responsibility is a continuing commitment by business to behave ethically and contribute to economic development while improving quality of workforce as well as community and society at large. CSR encompasses not only what companies do with their profits, but also how they make them. It goes beyond philanthropy and compliance and addresses how companies manage their economic, social and environmental impacts, as well as their relationships in all key spheres of influence, that is at the workplace, marketplace etc. Corporate Social Responsibility is holistic with the core business strategy for addressing social and environmental impacts of businesses. CSR needs address the well-being of all stakeholders and not just the company's shareholders. CSR holds that there are multiple dimensions that should affect a company's actions. Understand these dimensions when planning the own company's corporate social responsibility efforts. This research article is an endeavour taken up by the researcher to explain the various dimensional aspects relating to Corporate Social Responsibility. Based on the study, data were collected from various stakeholders namely, owners, consumers, shareholders, employees, government and society. An empirical analysis shows that the size of the society, its sector of economic activity, its legal status, its position in the market and its values have a significant effect on the adoption of the corporate social responsibility concept.*

Key Words: *CSR, Business, Community and Society, Companies, Dimensions, Stakeholder*

1.1 INTRODUCTION

The term 'Corporate Social Responsibility' is often used interchangeably with corporate responsibility, corporate citizenship, social enterprise, sustainability, sustainable development, triple bottom line, and corporate ethics of and in some cases with corporate governance. CSR aims to embrace responsibility for corporate actions and to encourage an impact on the environment and shareholders including consumers, employees, investors,



communities and others. Over the last few years, CSR has been an important point of discussion in India across all business sectors. CSR in India tends to focus on what is done with profits after they are made. On the other hand, sustainability is about factoring in the social and environmental impacts of conducting business, that is, how profits are made? Hence, of the Indian practice of CSR is an important component of sustainability or responsible business, which is a larger idea, a fact that is evident from various sustainability frameworks. Since corporate social responsibility and sustainability are a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

1.2 REVIEW OF LITERATURE

Porter and Kramer, 2006; Halme and Laurila, 2009; Brick et al., 2010; Carroll and Shabana, 2010; Rodriguez-Melo and Mansouri, 2011; Kemper et al., 2013; Monowar and Humphrey, 2013¹ - However, a firm has social responsibilities, as its strategic decisions often affect wide range of stakeholders. CSR practices have become a component of business organization that enhance competitive advantages and long-term sustainability.

Friedman, 1970; Bakan, 2004; Fisher and Lovell, 2009; Hooker, 2011² - Since business have limited resources to devote to CSR activities; hence, firms need to identify, priorities and incorporate stakeholders in decision-making. Naturally, business seeks to maximize its profits and is self-interested.

Carroll's and Shabana (2010)³ CSR model states that four kinds of social responsibilities constitute total CSR: economic, legal, ethical, and philanthropic. The concept of corporate social responsibility (CSR) focuses on ethical and moral issue which impact corporate decision making and behaviour. CSR is a concept that emphasizes responsive and extended social contribution of businesses to the society.

1.3 OBJECTIVES OF THE STUDY

The present study has been conducted to fulfil the following objectives:

- a. To study the conceptual framework of dimensions and responsibilities of CSR.
- b. To analyze the stakeholders' opinion about various dimensional aspects of Corporate Social Responsibilities.

1.4 HYPOTHESIS

The following hypothesis is being proposed:



(H0): There is no significance difference between the age of the stakeholders with respect to different dimensions of environment.

(H0): There is no significance difference between gender and promoting diversity under the dimensions of society.

(H0): There is no significance among mean rank on the responsible business help to enhance business operations in achieving a sustainable outcome.

(H0): There is no association between experiences of stakeholders with respect to society.

1.5 RESEARCH METHODOLOGY

1.5.1 Methodology and Data collection

This study is descriptive in nature and based on sample survey method. The required data were collected by means of an interview schedule to the respondents namely, Shareholders, Owners, Consumers, Employees, Government and Society aspects relating to Corporate Social Responsibility. Besides, required secondary data were collected from standard text books, journals, and websites.

1.5.2 Period and Sample Size

The study was conducted during the year 2015. The sample consisted of 100 stakeholders. A sample of 100 stakeholders from different environment, marketplace, workplace and society were taken through convenience sampling.

1.5.3 Statistical Analysis

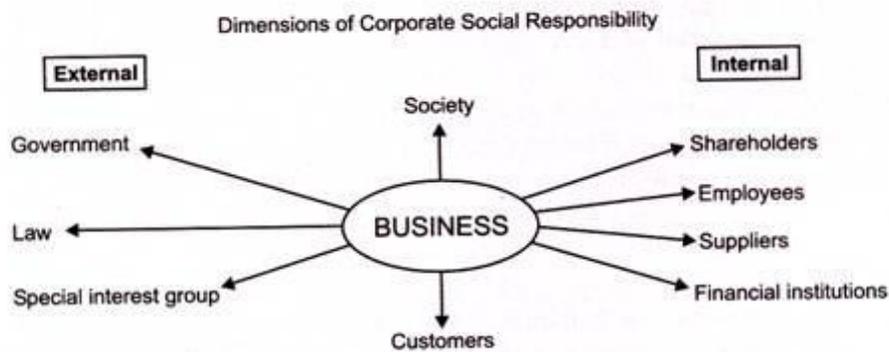
The data collected by the researcher have been systematically tabulated and analyzed with the help of statistical tools (SPSS). One-way Analysis of Variance (ANOVA), Independent Sample T-test, Friedman test, Chi square test. Moreover, throughout the article, simple percentage analysis has been used.

1.6 CONCEPTUAL FRAMEWORK OF CSR DIMENSIONS AND RESPONSIBILITIES

1.6.1 Dimensions of CSR

The facets and dimensions of corporate social responsibility include the obligations a business has to its interest groups also called 'stakeholders.' The stakeholders in a business include shareholders, owners, consumers, employees, government, society, etc.

These are depicted in the following diagram:



- ❖ **Shareholders-** It is the primary responsibility of every business to see that the owners or shareholders get a fair rate of dividend or fair return on capital invested. This is a legitimate expectation of owners from business. Naturally the expectations have to be reasonable and consistent with the risks associated with the investment. Owners also expect economic and political security of the capital invested.
- ❖ **Employees-** As regards responsibility towards employees, the major issues governing the employer-employee relationship pertain to wages and salaries, superior-subordinate relations and employee welfare. It is the responsibility of management to provide for fair wages to workers based on the principal of adequacy, equity and human dignity. Maintaining a harmonious relationship between superiors and subordinates and providing for welfare amenities for employees are also the responsibilities of management.
- ❖ **Government** - Social responsibility of business towards government requires that:
 - (i) The business will conduct its affairs as a law-abiding unit, and pay all taxes and other dues honestly;
 - (ii) Management will desist from corrupting public servants or the democratic process for selfish ends, and no attempt will be made to secure political support by money or patronage.
- ❖ **Community** - Arising out of their social responsibility towards the community and public at large, businessmen are expected to maintain a balance between the needs of business and the requirements of society. In general, business should be so managed as to make the public good become the private good of the enterprise rather than the old doctrine that “what is good for the business is good for the society”. The social responsibility of business firms should be reflected in their



policies with respect to environmental protection, pollution control, conservation of natural resources, rural development, setting up industrial units in the backward regions, employment of the socially handicapped and weaker sections of the community, and providing relief to victims of natural calamities.

1.6.2 RESPONSIBILITIES OF CSR

This pressure has given rise to the concept of Corporate Social Responsibility (CSR), defined as “the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.” **A fundamental model which could be argued to reflect the outcome of this discussion is Carroll’s (1996) four-part model:**



Source: A Carroll (1996), the Pyramid of CSR, Business Horizons.

- ❖ **Economic Responsibilities** - A company's first responsibility is its economic responsibility that is to say; a company needs to be primarily concerned with turning a profit. This is for the simple fact that if a company does not make money, it won't last, employees will lose jobs and the company will not even be able to think about taking care of its social responsibilities.
- ❖ **Legal Responsibilities** - A company's legal responsibilities are the requirements that are placed on it by the law. Next to ensuring that company is profitable, ensuring that it obeys all laws is the most important responsibility, according to the theory of corporate social responsibility.



- ❖ **Ethical Responsibilities** - Economic and legal responsibilities are the two big obligations of a company. After a company has met these basic requirements, a company can concern itself with ethical responsibilities. Ethical responsibilities are responsibilities that a company puts on itself because its owners believe it is the right thing to do -- not because they have an obligation to do so.
- ❖ **Philanthropic Responsibilities** - Philanthropic responsibilities are responsibilities that go above and beyond what is simply required or what the company believes is right. They involve making an effort to benefit society -- for example, by donating services to community organizations, engaging in projects to aid the environment or donating money to charitable causes.

1.7 DATA ANALYSIS AND INTERPRETATION

After the review of various theoretical aspects of dimensions and responsibilities of Corporate Social Responsibilities (CSR), the researcher has accomplished the task of stakeholders. The researcher interpreted all the analyzed data which are listed in this article. The study proceeds with an attempt to analyze and interpret the various dimensions involved in CSR.

1.7.1 DEMOGRAPHIC PROFILE

The profile of stakeholders helps to understand their opinion regarding various dimensional aspects of CSR. The stakeholder's profile consisted of gender, age, educational qualification, types of stakeholders and years of experience in their field, simple percentage analysis were used with the help of stakeholders' profile.

TABLE – 1.7.1.1

DEMOGRAPHIC PROFILE AND CHARACTERISTICS OF STAKEHOLDERS

(N=100)

Sl.No.	Characteristics	Categories	No. of respondents	Percentage to total
1.	Gender	Male	63	63
		Female	37	37
2.	Age	Below 25 years	22	22
		26-30 years	20	20
		31-35 years	21	21
		35-40 years	24	24
		Above 40 years	13	13
3.	Educational Qualification	Schooling	11	11

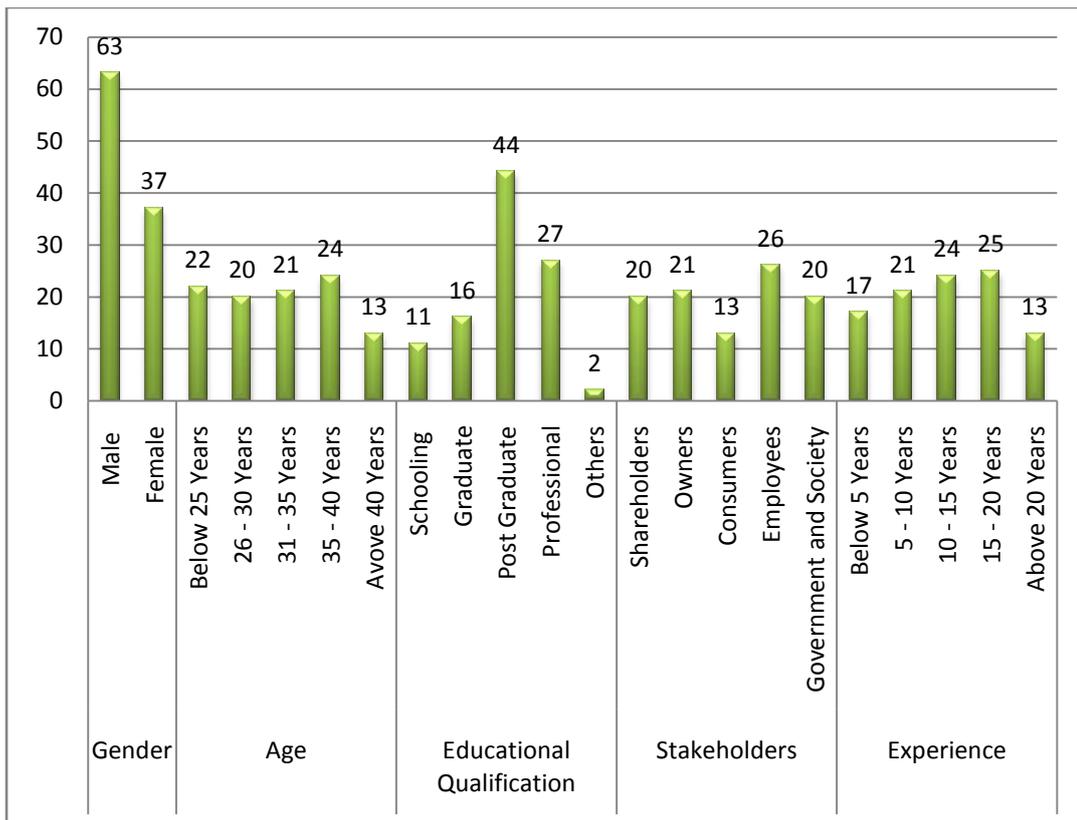


		Graduate	16	16
		Post Graduate	44	44
		Professional	27	27
		Others	2	2
4.	Type of Stakeholders	Shareholders	20	20
		Owners	21	21
		Consumers	13	13
		Employees	26	26
		Government and Society	20	20
5.	Experience	Below 5 years	17	17
		5-10 years	21	21
		10-15 years	24	24
		15-20 years	25	25
		Above 20 years	13	13

Source: Primary Data

FIGURE – 1.7.1.1

DEMOGRAPHIC PROFILE AND CHARACTERISTICS OF STAKEHOLDERS



From the summarized Table – 1.7.1.1 elicited above, out of 100 stakeholders, 63% were male and 37% were female respondents. It is observed from the table that 24% of the respondents are in the age group of 35-40 years. As presented in the above table, among 100 respondents, 44% of the respondents were Post Graduate. It is inferred from the above



table that 45% of the respondents are employees. The survey has brought to surface that the majority of respondents constituting 26% belong to employees while 21% of respondents are owners. The study has brought to light that the employees with experience 15- 20 years constituted 25%.

1.7.2 ANOVA

The analysis of variance known as ANOVA is a statistical tool designed to test whether the means of more than two samples differ significantly. In order to test the level of significant between the samples through ANOVA test, it is extremely a useful techniques used for research.

H0: There is no significance difference between the age of the stakeholders with respect to different dimensions of environment.

H1: There is a significance difference between the age of the stakeholders with respect to different dimensions of environment.

TABLE – 1.7.2.1

AGE AND ENVIRONMENTAL DIMENSIONS TOWARDS CSR

ANOVA TEST RESULTS

Source of variance	Sum of Squares	Degrees of Freedom	Mean Square	F	P value
Between Groups	42.593	8	5.324	3.474	0.002**
Within Groups	139.447	91	1.532		
Total	182.04	99			

Source: Primary data;

Note: ** denotes significant at 1% level

The above table makes it clear that since P value is less than 0.01, the alternative hypothesis is accepted at 1% level of significance. Hence, it could be concluded that there is a significant difference between the age of the respondents with respect to different dimensions of environment.

1.7.3 TWO –SAMPLE T-TEST OR INDEPENDENT SAMPLE T- TEST

The two sample t-test is used to determine whether means of two populations are different from each other based on independent samples is selected from each population.

(H0): There is no significance difference between gender and promoting diversity under the dimensions of society.



(H1): There is a significance difference between gender and promoting diversity under the dimensions of society.

TABLE -1.7.3.1
TWO –SAMPLE T-TEST
GROUP STATISTICS

Particulars	Gender	N	Mean	Standard Deviation	Standard Error
Promoting Diversity	MALE	63	3.3696	1.23574	0.18220
	FEMALE	37	3.7778	1.09315	0.14876

INDEPENDENT SAMPL T- TEST

T- Test for Equality of Mean						
		F	Significance	T	Degrees of Freedom	P value
Promoting Diversity	Equal Variances Assumed	2.035	0.151	-1.753	98	0.083*
	Equal Variances not Assumed			-1.735	90.751	0.086*

Source: Primary data;

Note: * denotes significant at 5% level

The table clearly reveals that, the P value is 0.086 and it is more than 0.05 (5% level of significance). The null hypothesis is accepted at 5% level of significance. Therefore, it is concluded that there is no significance difference between gender and promoting diversity.

1.7.4 FRIEDMAN TEST

The Friedman test is a nonparametric test that compares three or more matched or paired groups. The Friedman test first ranks the values in each matched set (each row) from low to high. Each row is ranked separately. It then sums the ranks in each group (column).

(H0): There is no significance among mean rank on the responsible business help to enhance business operations in achieving a sustainable outcome.

(H1): There is significance among mean rank on the responsible business help to enhance business operations in achieving a sustainable outcome.



TABLE – 1.7.4.1

**FRIEDMANN TEST FOR RESPONSIBLE BUSINESS HELP TO ENHANCE BUSINESS OPERATIONS
IN ACHIEVING A SUSTAINABLE OUTCOME**

Enhance Business Operations	Mean Rank	Chi - Square	P Value
It creates shareholder value	3.54	46.737	0.001**
Increased revenue base	3.09		
Strategic branding	4.33		
Operation efficiency	4.05		
Better access to capital	4.22		
Human and intellectual capital	3.81		
Lower business risk	4.97		

Source: Primary data; Note: ** denotes significant at 1% level

The above table manifolds the ranking of business operations in achieving a sustainable outcome based on the responsible business help to enhance the business activities. The survey brings to sharp focus that since the P value is less than the 0.01, the null hypothesis is rejected at 1% level of significance. Hence there is a significance difference among the mean rank for enhancing the business operations in achieving a sustainable outcome. Based on the mean rank, more number of respondents gives preference to lower business risk, strategic branding and better access to capital with highest mean rank of 4.97, 4.33 and 4.22 respectively. The least mean rank is opted for increased revenue base (3.09) and creates shareholders value (3.54).

1.7.5 CHI- SQUARE TEST

The most commonly used statistics is the chi – square test. It tabulates a variable into categories and compute a chi – square statistics based on the difference between observed and expected frequencies. A goodness fit of chi-square test compares the observed frequencies with the expected frequencies. It tests how well the observed data supports the assumption about the populations.

(H0): There is no association between experiences of stakeholders with respect to society.

(H1): There is association between experiences of stakeholders with respect to society.



TABLE – 1.7.5.1

CHI-SQUARE TEST FOR EXPERIENCE OF THE STAKEHOLDERS AND SOCIETY

Particulars	Experience	Society
Chi-Square	5.000 ^a	30.800 ^b
Degrees of Freedom	4	11
Asymp.Sig.	0.287	0.001*

Source: Primary data; Note: ** denotes significant at 1% level

It clear from the survey that the alternative hypothesis is accepted at 1% level of significance as the computed P value is less than 0.001. Hence, there is association between experiences of stakeholders with respect to society.

1.8 FINDINGS

The following are the major findings of the study:

1. The study disclosed that out of 100 stakeholders, male and female respondents represented 63% and 37% respectively. Men draw a high level of participation in engagement of various businesses than female.
2. The study clarified that the age group of the respondents has no significant influence towards environmental dimensions of CSR. The age group of stakeholders, constituting 24% of the respondents belonged to 35–40 years.
3. It is found that there is no significance impact on experience of the stakeholders with the society. However, from the study, it could be observed that stakeholders who gained experience of 15-20 years constituted 25% and stakeholders gained experience of 10-15 years represented 24%.
4. It is evident that there is similarity in ranking the items measuring reasons for enhancing business operations in achieving a sustainable outcome. Majority of respondents gave preference to lower business risk (4.97).
5. The major problem under dimension of society for stakeholders is to focus on corporate giving programmes on areas of shareholders value.
6. It is found that the different dimensions and responsibilities of CSR (economic, legal, ethical and philanthropic) are not ascribed equal importance in India. Stakeholders place more emphasis on economic, legal and ethical responsibilities than on philanthropic components.



1.9 SUGGESTIONS

Following are some of the suggestions that emanate from the study:

- 1) It is suggested that the government and the academicians have to spread the information about CSR to all the educational institutions so that the students can be made aware of social responsibility.
- 2) The stakeholders are henceforth suggested (as an outcome of survey) to use different media so that consumers will know more about the significance of CSR.
- 3) The employees suggested that every company should come voluntarily to spend a certain percentage of net profit for the society.

1.10 CONCLUSION

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and in interactions with their stakeholders. CSR is generally understood as the way through which a company achieves a balance of economic, environmental and social imperatives and at the same time it addresses the expectations of stakeholders. The aim of this research was to carry out an empirical analysis in various dimensions and responsibilities of CSR. Corporate social responsibility (CSR) refers to a firm's moral, ethical and social obligations beyond its own economic interests. CSR model states that four kinds of social responsibilities like economic, legal, ethical, and philanthropic models. Business organizations have several stakeholders; however, for the purpose of the study the researcher has identified the employees, customers, shareholders, owners and government and society as the main stakeholders in the context of the business environment in India. The study findings indicate that CSR is concerned with treating stakeholders ethically and business should protect wide range of stakeholders' interest. The suggestions of the study emanate from the inferences drawn from the analysis of primary and secondary data. There is an overall need for corporate to look at giving something to the society.

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