



## IMPACT OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES ON LOCAL HABITATIONS - A COMPARATIVE STUDY ON SELECT CEMENT COMPANIES IN A.P.

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### Abstract

Corporate Social Responsibility (CSR) is a concept which has become dominant in business reporting. Every organisation has a policy concerning CSR and produces a report annually detailing its activity. But stake holders are not ready to agree with the reports produced by the organisation. As per the government directions companies are now obligatory to spend a minimum of 2 percent of average net profit earned during preceding three years before formulation of the policy (Singh and Agarwal, 2013). In this context researchers tried to examine the ground level realities of the impact of promotion of educational activities under CSR of select cement companies in A.P.

**Key Words:** Corporate Social Responsibility, Promotion of Education, Girl Child Education, Skill Development.

### 1. Introduction

Corporate social responsibility has changed the role of doing business in the society, from simple exhortation of no social duties for business to the understanding of being socially responsible. Around the globe, various scholars, reporting agencies and institutions have already started to explore the multiple aspects of this concept both theoretically and empirically. Formalising corporate social responsibility for a corporation builds on the perspective of multi-faceted stakeholders. The basic understanding of widening the responsibility of corporate from shareholder perspective to its all stakeholder approach leads business to play different roles for its different players. However, the challenge is of providing a universally accepted definition of activities to be described as socially responsible behaviour. In simple terms CSR can be understood from the three words the phrase contains: "Corporate" which covers the large spectrum of businesses, "Social" refers to the local community with which they interact and finally by incorporating "Responsibilities" that are intrinsic on both sides of these relationships. Hence, CSR is nothing but corporate in its widest sense and on many levels, to include all stakeholders and constituent groups that maintain an ongoing interest in the organization's operations along with the society within which it operates.

### 2. Implementation of Corporate Social Responsibility

Marimoto et al, (2005) there are six key elements to the achievement of successful CSR are perceived as good stakeholder management, good corporate leadership greater priority for CSR at board level, integration of CSR into corporate policy at all levels and in all divisions of business, regulation at the national and international level understood and demonstrated across all areas of business, active involvement of, and good coordination between, government business, NGOs and civil society. Raps (2005) noted that in order to achieve successful implementation of CSR, there is a need to understand a long-term process that requires creativity and careful planning. The author pointed out ten critical points to overcome and improve the difficulties in the CSR implementation context.

#### 2.1. Commitment of top management

Refer to Raps, (2005), the importance of having top-managers working hard to achieve the purpose of the strategy is crucial for the implementation to succeed. Top-managers must influence middle managers in order to get their true message forward; they cannot rely on and believe that the middle-managers perception of the implementation is the same as theirs.

#### 2.2. Involve middle managers and their valuable knowledge

The author pointed out that to make use of the knowledge that middle managers possess and make sure they are involved increases their motivation and make them feel like they are a part of the process. This motivation boost is important for everyone's everyday day work since the middle managers engagement increases the awareness of the implementation throughout the organization.

#### 2.3. Communicate what implementation is all about

It is essential to see the implementation as a method used integrated within all aspects of the company. Traditionally implementation often overemphasizes the structural aspects e.g. organizational structure and disregards other existing components such as cultural aspects and human resources perspective. All of these aspects need to be taken into consideration to create an integrated measure for implementing activities (Raps, 2005).



#### **2.4. Clear assignment of responsibilities**

To avoid power struggles between departments and within hierarchies, there should be a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Raps, 2005).

#### **2.5. Preventive measures against barriers**

Change is a common phenomenon for companies today and the companies that are capable of handling change has a great advantage. The ability to manage change has become a core competency. A great challenge within strategy implementation is to deal with potential change barriers. Therefore, it is important to prevent these barriers and by changing the way they view and practice strategy implementation, senior executives can effectively transform change barriers into gateways for a successful execution (Raps, 2005).

#### **2.6. Emphasize teamwork activities**

Teamwork is an important part when implementing a strategy. It is however often forgotten when it comes down to implementation process activities (Raps, 2005).

#### **2.7. Respect the individuals' different characteristics**

Human resources are valuable and intangible assets within a company. Latest studies indicate that HR is the key factor for successful implementation (Raps, 2005).

#### **2.8. Take advantage of supportive implementation instruments**

According to the author, there are two implementation instruments can be applied i.e., the balanced scorecard and the supportive software solution. The balanced scorecard provides a functionality to translate a company's strategic objectives into a coherent set of performance measures. In addition, it provides a framework to integrate the strategic planning and meets the requirements that the strategic planning system itself can display. The software solutions can be helpful to improve the quality of strategy implementation and provides clear assignments of responsibilities throughout the organization's implementation process.

#### **2.9. Calculate buffer time for unexpected incidents**

Refer to Hohnen (2007), the author stated that employees play a central role in the implementation process and in order to motivate and engage them it is crucial that they know as much as possible about the company's way of handling the implementation. They should know about the approach to CSR, background of why adapting it, its relevance to the organization, progresses and other implications.

#### **2.10. Offering incentives and recognition for good ideas**

Looking at other researchers' view on CSR implementation, Haslin and Ochoa, (2008) noted that CSR opportunities exists in all levels within companies, therefore senior management needs to be guiding, championing, and supporting if they want these opportunities to become a part of the company's operations. To implement a CSR strategy into a company's culture and make the people understand the benefits of truly strategic CSR initiatives requires senior managers to be unambiguously and consistently express their commitment to whatever strategic initiatives the organization chooses to adopt.

### **3. Review of Literature**

**Dyann Ross (2017)**, Article entitled "A research-informed model for corporate social responsibility: towards accountability to impacted stakeholders" published in *International Journal of Corporate Social Responsibility* presented a model for engaging key stakeholders which can enable redress to social justice issues as part of achieving CSR. The model is the culmination of the author's involvement in the issue since the early 2000s. It fits into a politico economic context of pro-development and limited checks and balances for harm done to impacted stakeholders. As such the model is feasible and adaptable to contemporary circumstances where multi-national mining companies are operating in close proximity to pre-existing towns and agricultural businesses.

**Kanchan Mukund Sananse (2016)**, Article entitled "A Conceptual Study of Corporate Social Responsibility (CSR) under Companies Act, 2013" published in *SSRG International Journal of Economics and Management Studies* said that Industries should believe in building and improving strong businesses that have their roots planted firmly in the values of upliftment and betterment of the community and on the other side, care for the precious environment around them. In a bid to truly stay with this commitment, now industries has suggested to adopt various initiatives to make this world a better, greener and more peaceful place for the living of the mankind.



**Denise Baden (2016).** Article entitled “A reconstruction of Carroll’s pyramid of corporate social responsibility for the 21<sup>st</sup> century” published in *International Journal of Corporate Social Responsibility* suggested that business managers should adopt more socially responsible mind-sets and behaviours. CSR as a construct reflects this goal and thus needs to provide a moral counter-balance to the dominance of economic values pervading the rest of the management discourse and business school curriculum. Yet Carroll’s pyramid of CSR suggests economic values come before ethical and even before legal values. It has been argued that this focus has permeated the literature and the discourse surrounding CSR.

**Myria W. Allen and Christopher A. Craig (2016).** Article entitled “Rethinking corporate social responsibility in the age of climate change: a communication perspective” published in *International Journal of Corporate Social Responsibility* hope that catalyze and aggregate action and initiatives from companies from all industry sectors— towards delivering concrete climate solutions and innovations in their practices, operations and policies.” They support clear and consistent policies and robust monitoring, reporting and verification, believing such actions will stimulate innovation and collaborative solutions.

#### 4. Objectives of the study

- To review the impact of promotion of educational activities implemented on local community by select cement units under Corporate Social Responsibility in A.P.
- To examine the demographical factors influence on respondent’s perception on promoting educational activities implemented in local community by select cement units under Corporate Social Responsibility in A.P.
- To put forth certain suggestions based on the findings that have been arrived.

#### 5. Hypotheses

H<sub>a</sub>: There is a significant difference in the opinions of the respondent’s on educational promoting activities implemented in local community by select cement units under Corporate Social Responsibility in A.P. based on the demographical factors.

#### 6. Research Methodology

To fulfill the aforesaid objectives the data have been collected from two sources of data i.e. primary and secondary sources. The secondary data were collected from various journals, periodicals, magazines, books and unpublished documents. The primary data was collected directly from the sample respondents with pre - designed questionnaire.

##### 6.1. Research Approach

A quantitative approach was followed in this exploratory study. The primary data was collected by using the questionnaire. Results were presented by means of ANOVA.

##### 6.2. Research Method and Sampling

The participants selected for this study consisted of people residing near to JSW cements Nandhyala unit and KCP cement Macherla unit. 500 questionnaires were distributed in nearby villages of each unit. Convenience sampling technique was used to collect the data. The respondents were solicited to complete the CSR questionnaire. The resultant response rate of useable questionnaires was 93% (465) and 96% (480).

#### 7. Impact of Promotion of Educational Activities on Local Community under CSR

##### 7.1. JSW Cements Initiatives

Initiated Mid-day Meal Program on pilot basis in 2 schools & 2 modular kitchens were established to provide nutritious and balanced diet, 184 students benefitting. Renovated class rooms in 2 primary schools. Supplemented Government midday meal program for 1957 students in 19 schools by providing eggs thrice a week. To encourage girl child education provided 82 bicycles to girl students pursuing secondary education. Established 10 digital classes in 7 more government schools of direct influence zone to improve the quality of the education of the students and to build strong conceptual understanding in the students. Three computer aided learning centres were operated to impart computer education and one tutor is engaged to teach social studies (Urdu medium) in the Government High School, Gadivemula. Provided scholarships to 69 merit students from four high schools & four primary schools for promoting secondary education and to reduce dropout rate in upper primary & primary sections. Provided Uniforms & Notebooks to primary & upper primary students and provided study material to 10<sup>th</sup> class students. 565 students are beneficiaries.

## 7.2. KCP Cements Initiatives

The Company has supported by way of suitable donations to Z.P. High School, Vijayapuri South, Z.P. Boys High School, Macherla, Sri Vanga Venkata Reddy High School, Nekarikallu and St. Francis Xavier High School, Macherla for conducting various activities like conducting sport meets, providing sports material, boarding & lodging facilities to the participants of tournaments and development of play grounds etc.

## 8. Data Analysis

### Hypothesis Testing

H<sub>0</sub>: There is no significant difference in the opinions of the respondent's on education promoting activities implemented in local community by select units under Corporate Social Responsibility based on the demographical factors.

**Table-1: One way ANOVA for Promotion of Educational Activities under CSR in JSW and KCP (Age of the Respondents)**

Items	JSW Cement			KCP Cement		
	Mean Square	F	Sig.	Mean Square	F	Sig.
Supporting educational institutions in infrastructure development	.642 1.015	.633	.639	1.642 1.369	1.200	.310
Awareness campaigns on girl child education	4.224 .951	4.444	<b>.002</b>	.408 1.074	.380	.823
Transport facilities to girl children	4.371 1.656	2.640	<b>.033</b>	1.571 .579	2.714	<b>.030</b>
Night classes to increase adult literacy	1.275 1.722	.741	.565	.820 .420	1.953	.101
Books distribution	1.102 1.629	.677	.608	.361 .394	.917	.454
Fees assistance to BPL students	.033 .509	.065	.992	7.916 2.958	2.676	<b>.031</b>
Best student awards to increase healthy competition	.310 .718	.431	.786	2.225 2.633	.845	.497
Carrier guidance programmes for rural students	.898 1.068	.841	.500	8.508 3.286	2.589	<b>.036</b>
Support to mid day meal programmes	.614 1.683	.365	.834	1.358 2.650	.513	.726
Training programmes for teaching staff	1.830 1.669	1.096	.358	.839 1.428	.587	.672
Special attention on education, training and rehabilitation of mentally & physically challenged children or persons	1.524 .784	1.944	.102	.813 1.111	.731	.571

(Source: Primary Data/ Structured Questionnaire)

The information presented in the above **Table-1** reveals that in JSW Cements H02, H03 (Awareness campaigns on girl child education and Transport facilities to girl Childs) are significant at 5% level. It is observed that for H01 (Supporting educational institutions in infrastructure development), H04 (Night classes to increase adult literacy), H05 (Books distribution), H06 (Fees assistance to BPL students), H07 (Best student awards to increase healthy competition), H08 (Carrier guidance programmes for rural students), H09 (Support to mid day meal programmes), H10 (Training programmes for teaching staff) and H11 (Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while age is taken into consideration.

The information presented in the above **Table-1** reveals that in KCP Cements H03, H06, H08 (Transport facilities to girl Childs, Fees assistance to BPL students and Carrier guidance programmes for rural students) are significant at 5% level. It is observed that for H01 (Supporting educational institutions in infrastructure development), H02 (Awareness campaigns on girl child education), H04 (Night classes to increase adult literacy), H05 (Books distribution), H07 (Best student awards to increase healthy competition), H09 (Support to mid day meal programmes), H10 (Training programmes for teaching staff) and H11 (Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while age is taken into consideration.

**Table-2: One way ANOVA for Promotion of Educational Activities under CSR in JSW and KCP (Income of the Respondents)**

	JSW Cement			KCP Cement		
	Mean Square	F	Sig.	Mean Square	F	Sig.
Supporting educational institutions in infrastructure development	.449 1.016	.441	.779	4.975 1.340	3.714	<b>.005</b>
Awareness campaigns on girl child education	.387 .983	.394	.813	.383 1.075	.356	.840
Transport facilities to girl children	4.039 1.659	2.435	<b>.047</b>	.812 .585	1.387	.237
Night classes to increase adult literacy	.662 1.727	.383	.821	.196 .425	.461	.764
Books distribution	4.113 1.603	2.566	<b>.038</b>	.441 .393	1.122	.345
Fees assistance to BPL students	.639 .504	1.269	.281	8.006 2.957	2.707	<b>.030</b>
Best student awards to increase healthy competition	1.372 .709	1.934	.104	2.906 2.627	1.106	.353
Carrier guidance programmes for rural students	4.810 1.036	4.645	<b>.001</b>	1.254 3.349	.374	.827
Support to mid day meal programmes	.697 1.682	.415	.798	1.469 2.649	.555	.696

Training programmes for teaching staff	2.565 1.663	1.542	.189	5.349 1.389	3.851	<b>.004</b>
Special attention on education, training and rehabilitation of mentally & physically challenged children or persons	1.195 .786	1.519	.195	.455 1.114	.408	.803

(Source: Primary Data/ Structured Questionnaire)

The information presented in the above **Table-2** reveals that in JSW Cements H03, H05, H08 (Transport facilities to girl Childs, Books distribution and Carrier guidance programmes for rural students) are significant at 5% level. It is observed that for H01 (Supporting educational institutions in infrastructure development), H02 (Awareness campaigns on girl child education), H04 (Night classes to increase adult literacy), H06 (Fees assistance to BPL students), H07 (Best student awards to increase healthy competition), H09 (Support to mid day meal programmes), H10 (Training programmes for teaching staff) and H11 (Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while income is taken into consideration.

The information presented in the above **Table-2** reveals that in KCP Cements H01, H06, H10 (Supporting educational institutions in infrastructure development, Fees assistance to BPL students and Training programmes for teaching staff) are significant at 5% level. It is observed that for H02 (Awareness campaigns on girl child education), H03 (Transport facilities to girl Childs), H04 (Night classes to increase adult literacy), H05 (Books distribution), H07 (Best student awards to increase healthy competition), H08(Carrier guidance programmes for rural students), H09 (Support to mid day meal programmes), and H11 (Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while income is taken into consideration.

**Table-3: One way ANOVA for Promotion of Educational Activities under CSR in JSW and KCP (Education of the Respondents)**

	JSW Cement			KCP Cement		
	Mean Square	F	Sig.	Mean Square	F	Sig.
Supporting educational institutions in infrastructure development	2.532 .999	2.536	<b>.039</b>	2.184 1.364	1.601	.173
Awareness campaigns on girl child education	.349 .983	.355	.841	2.873 1.053	2.729	<b>.029</b>
Transport facilities to girl children	1.244 1.682	.739	.566	.422 .589	.716	.581
Night classes to increase adult literacy	3.622 1.702	2.128	.076	1.244 .416	2.989	<b>.019</b>
Books distribution	1.364 1.626	.839	.501	.454 .393	1.157	.329
Fees assistance to BPL students	1.301 .498	2.612	<b>.035</b>	2.200 3.008	.732	.571

Best student awards to increase healthy competition	.943 .713	1.322	.261	4.655 2.612	1.782	.131
Carrier guidance I for rural students	2.247 1.057	2.126	.077	7.995 3.291	2.430	<b>.047</b>
Support to mid day meal I	2.399 1.668	1.438	.220	6.021 2.609	2.307	.057
Training I for teaching staff	4.075 1.650	2.469	<b>.044</b>	6.021 2.609	2.307	.057
Special attention on education, training and rehabilitation of mentally & physically challenged children or persons	2.311 .777	2.974	<b>.019</b>	3.203 1.090	2.939	<b>.020</b>

(Source: Primary Data/ Structured Questionnaire)

The information presented in the above **Table-3** reveals that in JSW Cements H01, H06, H10, H11 (Supporting educational institutions in infrastructure development, Fees assistance to BPL students, Training programmes for teaching staff and Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) are significant at 5% level. It is observed that for H02 (Awareness campaigns on girl child education), H03 (Transport facilities to girl Childs), H04 (Night classes to increase adult literacy), H05 (Books distribution), H07 (Best student awards to increase healthy competition), H08 (Carrier guidance programmes for rural students), and H09 (Support to mid day meal programmes), there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while education is taken into consideration.

The information presented in the above **Table-3** reveals that in KCP Cements H02, H04, H08, H11 (Awareness campaigns on girl child education, Night classes to increase adult literacy, Carrier guidance programmes for rural students and Special attention on education, training and rehabilitation of mentally & physically challenged children or persons) are significant at 5% level. It is observed that for H01 (Supporting educational institutions in infrastructure development), H03 (Transport facilities to girl Childs), H05 (Books distribution), H06 (Fees assistance to BPL students), H07 (Best student awards to increase healthy competition), H09 (Support to mid day meal programmes), and H10 (Training programmes for teaching staff) there is no significant difference in perceptions of the respondents regarding promotion of education under CSR while education is taken into consideration.

## 9. Findings

- The respondent's perception on promotion of educational activities under CSR by JSW Cements found that awareness campaigns on girl child education and transport facilities to girl children are significant by the age of the respondents.
- The respondent's perception on promotion of educational activities under CSR by KCP Cements found that transport facilities to girl children, fees assistance to BPL students and carrier guidance I for rural students are significant by the age of the respondents.
- The respondent's perception on promotion of educational activities under CSR by JSW Cements found that transport facilities to girl children, books distribution and carrier guidance I for rural students are significant by the income of the respondents.
- The respondent's perception on promotion of educational activities under CSR by KCP Cements found that supporting educational institutions in infrastructure development, fees assistance to BPL students, training I for teaching staff and special attention on education, training and rehabilitation of mentally & physically challenged children or persons are significant by the income of the respondents.
- The respondent's perception on promotion of educational activities under CSR by JSW Cements found that supporting educational institutions in infrastructure development, fees assistance to BPL students, training I for teaching staff and special attention on education, training and rehabilitation of mentally & physically challenged children or persons are significant by the education of the respondents.

- The respondent's perception on promotion of educational activities under CSR by KCP Cements found that awareness campaigns on girl child education, night classes to increase adult literacy, carrier guidance I for rural students and special attention on education, training and rehabilitation of mentally & physically challenged children or persons are significant by the education of the respondents.

#### 10. Suggestions

- ✓ Form the analysis it is understood that girl children transport facility is the prime factor which needs immediate attention. Therefore organisation have to take initiatives to overcome this problem.
- ✓ Carrier guidance I for rural students is also an important factor. In rural students there is much interest towards education but they does not know what should they study next and where to study and it is also observed that most of the students don't know the fellowship I provided by the government. Therefore, both the organisation should organise carrier guidance I with expert in concern area to ensure students to get awareness.
- ✓ Special attention on education, training and rehabilitation of mentally & physically challenged children or persons are also found to be significant. In rural areas much of the employment scope is related with physical activity in agriculture but physically challenged people are not in a position to perform those activities. Therefore, organisations have to conduct skill development I to empower the physically challenged people to ensure self reliant.

#### 11. Conclusions

The research is conducted to understand the demographical factors influence on respondent's perception on promotion of education under CSR and it is found that there is very nominal influence of demographical factors on respondent's perception. Difference of opinions found regarding girl child education and their transport facilities. Interestingly some of the respondents who are not infavour of girl child education, but they are in favour of their transport facilities. Therefore, it is understood that respondents are not happy with transport facilities because of which they are against girl child education. In this context both the organisations have to give due attention to girl child transportation to schools to ensure educational empowerment of girl child.

#### 12. Limitations and Future scope of the study

The research is conducted on promotion of education only in future researches will be carried out on other area of CSR activities. In this research age, income and education of respondents were taken into consideration, in future research will be considered gender of the respondents to get clear picture of the study.

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