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# A STUDY ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) TOWARDS NEIGHBORHOOD WITH REFERENCE TO VILLUPURAM DISTRICT

**T.Porkodi*, Dr.D.Venkatramaraju**
(Full-time Ph.D. Research Scholar), Bharath University, Chennai-73.
Research Supervisor, Bharath University, Chennai-73.
*Email: tporkodiphd@gmail.com*

**Abstract:**

The emerging concept of corporate social responsibility goes beyond charity and requires the company to act ethically in the company's business affairs. CSR is based on the idea that successful profitable corporations should take the responsibility for social issues and manage their business in such a way that maximizes profit and stockholder wealth while also contributing to the resolution of the social problems. It is a concept whereby the companies integrate social and environmental concern in their business operations and in their interactions with the stakeholders on a voluntary basis. Social responsibility implies the acceptance of a moral imperative to recognize the duties and obligations arising from a company's relationship with customers, suppliers, employers, shareholders and society at large beyond consideration of profit. It refers to business decision making linked to the ethical values, compliance with the legal requirements and respect for people and communities and environment. This paper aims to highlight and to examine the satisfaction of neighborhoods towards various factors of CSR followed by their nearby corporates. Finally it was concluded by providing the suggestions for the corporates to enhance more CSR factors in order to improve the quality of neighborhood environment, their families as well as the societies.

**Key words:** Corporate Social Responsibility (CSR), Environment protection, Ethical Values, Societal Development.

**Introduction:**

India has a history of having a compassionate attitude towards environment. But with the passage of time the ethical values towards society have degraded as a result of which judiciary intervened so as to protect the environment. A concept known as corporate social responsibility emerged in the light of right to pollution free environment and the

constitutional duty to protect and improve the environment. In order to realize the constitutional objective of protecting environment the concept of Corporate Social Responsibility was recognized in the legislative enactments. The paper introduces the concept of Corporate Social Responsibility and the Constitutional commitment towards environment protection. Judicial decisions bring into light the conception of Corporate Environment Liability by streamlining the defaulting institutions.

According to Browin H.R., social responsibility is defined as, "the obligation of a businessman to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of the society. Some scholars have defined CSR as a social commitment of a businessman or a social obligation or moral or ethical responsibility or a corporate social philanthropy. In the words of Mahatma Gandhi, business entrepreneurs are trustees and not the owners of the social wealth and they have to spend a part of it for social causes. To describe the principle of trusteeship he quoted, enjoy the wealth, take the minimum which you need, leave the rest to the welfare of community." It cannot be considered as charity. A robust and thriving development sector is central to India's quest for equitable, inclusive and sustainable growth. India's development sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain.

The Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies. Building a society which provides equal access to opportunities negates disparities and, is a collective responsibility.

**Review of Literature:**

**Sivakumar N. and Rao U.S. (2006)** in their research article "Corporate Social Responsibility Based on Fraternity Values" explained a framework on the fraternity values. Also, the studies conducted by many scholars in the aspect of corporate social responsibility and socially responsible stakeholder policies have been reviewed in this article. Finally, corporate policies have been developed based on fraternity values by the researchers for the community and society at large and explained with an illustration.

**Vijayalakshmi. S (2012)** in her article "Corporate Social Responsibility" has discussed the role of corporate social responsibility in multinational organizations. The major activities undertaken by a corporation to support social causes

have been presented in this article. The author has stated that corporate social responsibilities for most Indian companies are linked to brand image and are done as a business strategy through which objectives and targets are achieved. The article has been concluded by presenting the CSR practices of selected companies in India.

**Alexander Dahisrud (2006),** in his article "How Corporate Social Responsibility is Defined: An Analysis of 37 Definitions", five dimensions of CSR are developed through a content analysis of existing CSR definitions. Frequency counts are used to analyse how often these dimensions are invoked. The analysis shows that the existing definitions are to a large degree congruent. Thus it is concluded that the confusion is not so much about how CSR is defined, as about how CSR is socially constructed in a specific context.

**Objective:**

The objective of the study is;

➢ To analyse the neighborhood satisfaction towards Corporate Social Responsibility (CSR) of different companies.

**Research Design:**

**Study Area:** The area for the study is only confined to Villupuram district in Tamil Nadu.

**Collection of Data:**

Both the sources of data collection is used for the study, the primary data is collected from the neighborhoods of various companies situated in villupuram district.

Secondary data is collected from various published and unpublished sources including books, journals, magazines, publications, research articles, official websites, and company reports.

**Sample Size:** The sample size for the study is 100 neighborhoods of various companies situated in Villupuram district in Tamil Nadu.

**Sampling technique:** The sampling technique used for the study is convenience sampling.

**Data collection tool:** The primary data is collected through a questionnaire by covering the aspects of the objectives of the study. And also by face-to-face approach by using Interview schedule.

**Data Analysis:**

For analyzing the data of the study Factor analysis (KMO and Bartlett's test, Total variance explained and Component Matrix) through SPSS software is used.

**Factor Analysis:**

The purpose of the factor analysis is data reduction. And it can be analyzed by taking survey from relevant peoples. Here the researcher took the survey on Corporate Social Responsibilities (CSR) to the neighborhoods of the corporates situated in villupuram district.

**KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .579 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 88.763 |
| | Df | 95 |
| | Sig. | .000 |

KMO is used to measure the adequacy of the samplings made. Whether our data's collected is sufficient or not. The measures of sampling adequacy should be more than .50 before starting the Factor analysis. If it is less than .50 then deletion of variables should be done to make our data's adequate. Here the researchers KMO is .579 so the data's are sufficient.

**Communalities**

| | Initial | Extraction |
|---|---|---|
| pollution control | 1.000 | .579 |
| solid waste management | 1.000 | .891 |
| energy saving | 1.000 | .668 |
| rain water harvesting | 1.000 | .736 |
| awareness about safety | 1.000 | .742 |
| primary/secondary education | 1.000 | .754 |
| infrastructure to schools | 1.000 | .635 |
| special schools | 1.000 | .856 |
| health checkup camps | 1.000 | .744 |
| Rehabitation measures | 1.000 | .729 |

| | 1.000 | .894 |
|---|---|---|
| community centers | 1.000 | .894 |
| good & smooth roads | 1.000 | .913 |
| water tank facilities | 1.000 | .903 |
| proper bridges | 1.000 | .846 |
| channeling sewages | 1.000 | .771 |

Extraction Method: Principal Component

Analysis.

Communalities explains us the number of variance in the variable that can be extracted. The lower level of .50 is necessary for the communalities in the analysis. In this study no variable has less portion of the variance that contributes to the common factor.

**Total Variance Explained**

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 3.442 | 22.943 | 22.943 | 3.442 | 22.943 | 22.943 | 3.070 | 20.469 | 20.469 |
| 2 | 2.809 | 18.724 | 41.668 | 2.809 | 18.724 | 41.668 | 2.519 | 16.793 | 37.262 |
| 3 | 1.782 | 11.883 | 53.551 | 1.782 | 11.883 | 53.551 | 1.628 | 10.855 | 48.117 |
| 4 | 1.484 | 9.895 | 63.446 | 1.484 | 9.895 | 63.446 | 1.607 | 10.710 | 58.827 |
| 5 | 1.128 | 7.518 | 70.964 | 1.128 | 7.518 | 70.964 | 1.553 | 10.353 | 69.180 |
| 6 | 1.014 | 6.758 | 77.723 | 1.014 | 6.758 | 77.723 | 1.281 | 8.543 | 77.723 |
| 7 | .901 | 6.007 | 83.730 | | | | | | |
| 8 | .641 | 4.271 | 88.001 | | | | | | |
| 9 | .602 | 4.016 | 92.016 | | | | | | |
| 10 | .374 | 2.493 | 94.510 | | | | | | |
| 11 | .349 | 2.324 | 96.834 | | | | | | |
| 12 | .250 | 1.670 | 98.504 | | | | | | |
| 13 | .122 | .815 | 99.318 | | | | | | |
| 14 | .080 | .534 | 99.852 | | | | | | |

**Total Variance Explained**

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 3.442 | 22.943 | 22.943 | 3.442 | 22.943 | 22.943 | 3.070 | 20.469 | 20.469 |
| 2 | 2.809 | 18.724 | 41.668 | 2.809 | 18.724 | 41.668 | 2.519 | 16.793 | 37.262 |
| 3 | 1.782 | 11.883 | 53.551 | 1.782 | 11.883 | 53.551 | 1.628 | 10.855 | 48.117 |
| 4 | 1.484 | 9.895 | 63.446 | 1.484 | 9.895 | 63.446 | 1.607 | 10.710 | 58.827 |
| 5 | 1.128 | 7.518 | 70.964 | 1.128 | 7.518 | 70.964 | 1.553 | 10.353 | 69.180 |
| 6 | 1.014 | 6.758 | 77.723 | 1.014 | 6.758 | 77.723 | 1.281 | 8.543 | 77.723 |
| 7 | .901 | 6.007 | 83.730 | | | | | | |
| 8 | .641 | 4.271 | 88.001 | | | | | | |
| 9 | .602 | 4.016 | 92.016 | | | | | | |
| 10 | .374 | 2.493 | 94.510 | | | | | | |
| 11 | .349 | 2.324 | 96.834 | | | | | | |
| 12 | .250 | 1.670 | 98.504 | | | | | | |
| 13 | .122 | .815 | 99.318 | | | | | | |
| 14 | .080 | .534 | 99.852 | | | | | | |
| 15 | .022 | .148 | 100.000 | | | | | | |

Extraction Method: Principal

Component Analysis.

Eigen values are used to determine the number of factors to be taken. The standardized amount of Eigen values is 1. The Eigen values represent the total variance explained. By adding the percentages of all the variables we get total percentage.

From Eigen values we get the extracted and rotated sum of squares loadings. And it explains the total percentage and cumulative percentage of the variables taken.

In this study the 1st component gives 22.943% of extraction and 20.469% of rotation and the cumulative percentages are added one by one. And so on...

**Component Matrix**[a]

| | Component | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| pollution control | -.108 | -.019 | .523 | .413 | -.281 | .211 |
| solid waste management | .346 | .243 | -.074 | .589 | .122 | -.587 |
| energy saving | .101 | -.094 | .618 | .328 | .205 | .342 |
| rain water harvesting | .257 | .059 | -.569 | -.188 | .457 | .314 |
| awareness about safety | -.221 | .729 | .180 | .017 | .316 | .171 |
| primary/secondary education | -.272 | .759 | .162 | .005 | .237 | -.148 |
| infrastructure to schools | -.353 | .696 | .067 | .007 | .131 | -.066 |
| special schools | -.240 | .644 | -.161 | .021 | -.544 | .246 |
| health checkup camps | -.389 | .230 | .503 | -.507 | .164 | -.051 |
| Rehabitation measures | .250 | .252 | .275 | -.509 | -.352 | .381 |
| community centers | .763 | -.136 | .330 | -.209 | .344 | -.151 |
| good & smooth roads | .881 | .159 | .249 | .196 | -.105 | -.023 |
| water tank facilities | .821 | .114 | .245 | -.206 | -.079 | .329 |
| proper bridges | .695 | .430 | -.267 | -.276 | -.166 | .055 |
| channeling sewages | .448 | .612 | -.279 | .327 | .002 | .106 |

Extraction Method: Principal Component Analysis.

a. 6 components extracted.

## I. Component:

- Good & Smooth Roads

- Water Tank facilities

- Community centers

- Proper bridges

All the four factors are combined together as PHERIPHERAL CARE.

## II. Component:

- Primary / Secondary education

- Awareness about safety

- Infrastructure to Schools

- Special schools

- Proper Sewage channelizing

All the five factors are combined together as EDUCATIONAL CARE.

## III. Component:

- Energy saving

- Pollution control

- Health checkup camps

All the three factors are combined together as ENVIRONMENTAL CARE.

## IV. Component:

- Solid Waste Management

It is renamed as WASTE MANAGEMENT.

## V. Component:

- Rainwater harvesting

It is renamed as RAIN WATER HARVESTING.

## VI. Component:

- Rehabitation Measures.

It is renamed as RELIEF AND REHABITATION MEASURES.

The general public who are situated around the companies selected for the study are highly satisfied towards the CSR activities of the companies relating to the six factors namely "Peripheral Care, Educational Care, Environmental Care, Waste Management, Rain Water Harvesting and Relief and Rehabitation Measures". If the Corporates is more efficient in their further CSR activities like developing technological aspects, supporting the hospitals for their bio waste management, etc. Then definitely the Quality of the Societal and Neighborhood environment will be improved.

**Conclusion**:

**"Corporate- means organized business; Social- means everything dealing with the people; Responsibility- means the accountability between the two"**

The need to understand and act upon the concept of corporate social responsibility has gained momentum in the recent past not just in the legal precept but also in the judicial activism. The argument for the individual rights and by extension those of corporations and position of NGO's stands apart as perhaps the strongest of the environmental claims. The pragmatic point is that the addressing the position of individual and other legally significant entities directly, international law facilitates wider participation in cesses of national governance, and more effective approach to the enforcement and implementation of law, primarily through the use of national legal systems. Besides the constitutional and legislative duty it becomes an ethical duty not only of individuals but of the corporate houses to protect and improve the quality environment. Right to pollution free environment could be achieved by realizing common but differentiated responsibility at every strata of the society.

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**Corresponding Author:**

**T. Porkodi\*,**

**Email:** *tporkodiphd@gmail.com*