

## A study of different dimensions of corporate social responsibility to establish the desired role of corporates in modern era of sustainable business

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### Abstract

Corporate social responsibility always remained a myth among most of the managers and business management students. When it comes to CSR people think charity for poor, planting tree, feeding the hungry and providing shelter to orphans. In fact, the most of us feel that CSR is a liability to firms. But truth is far from this explanation of CSR. Different authors have defined CSR in different ways. Present research paper is based upon a meta-analysis approach of systematic review to establish the definition of CSR in appropriate sense. The objective of the research paper is to develop different dimensions of CSR that can enable the readers to proceed further studies on the CSR.

**Keywords:** corporate social responsibility, meta-analysis

### Introduction

Although responsible companies had already existed for more than a century before, the term Corporate Social Responsibility was officially coined in 1953 by American economist Howard Bowen in his publication *Social Responsibilities of the Businessman*. As such, Bowen is often referred to as the father of CSR. The 1990s marked the beginning of widespread approval of CSR. In 1991, University of Pittsburgh professor Donna J. Wood published *Corporate Social Performance Revisited*, which expanded and improved on early CSR models by providing a framework for assessing the impacts and outcomes of CSR programs.

In the same year, business management author and professor at the University of Georgia Archie B. Carroll published his article *The Pyramid of Corporate Social Responsibility*. In his paper, Carroll expanded on areas he believed were crucial when implementing CSR in an organization. The four-part definition of CSR was originally published in 1979. In 1991, Carroll extracted the four-part definition and recast it in the form of a CSR pyramid.

The phrase “Triple Bottom Line” was first coined in 1994 by John Elkington, the founder of a British consultancy called sustainability. His argument was that companies should be preparing three different (and quite separate) bottom lines. One is the traditional measure of corporate profit—the “bottom line” of the profit and loss account. Last few years, environmentalists and social justice advocates have struggled to bring a broader definition of bottom line into public consciousness by introducing full cost accounting. John Elkington has added economic, social and environmental issues in this context.

Benedict Sheehy (2014) in his work ‘Defining CSR: Problems and Solutions’ has said that it applies a scientific definitional approach of *genus*, *differentia* and *species* to arrive at a *definition of CSR as international private business self-regulation*. Most of the researchers have liberal view for CSR. Lars Moratis (2016) aims to examine the definition of corporate social responsibility (CSR) as

propagated by ISO 26000, the global comprehensive guidance standard for CSR, compare it to and position it *vis-à-vis* other contemporary interpretations of CSR and formulate a critique on the standard’s definition of CSR.

### Hypothesis

**Ha:** There is no significant relationship among different dimensions of Corporate Social Responsibility with perceived CSR values.

**Ho:** There is significant relationship among different dimensions of Corporate Social Responsibility with perceived CSR values.

### Research Methodology

Researcher has conducted simple random sampling for the survey. The respondents were asked questions to rate the different aspects of CSR. The respondents were selected among top IT companies’ employees. Sample of 500 respondents were consider from HCL, INFOSIS, TCS Ltd, Tech Mahindra and Wipro.

### Findings

Researcher has collected the score of the responses. The findings are as follows:

1. There is significant relation between perceived CSR and board independency.

**Table 1:** Correlation table for sub- hypothesis -1

| Correlations       |                     |        |        |
|--------------------|---------------------|--------|--------|
|                    |                     | CSR    | BI     |
| Perceived CSR      | Pearson Correlation | 1      | .440** |
|                    | Sig. (2-tailed)     |        | .000   |
|                    | N                   | 500    | 500    |
| Board independency | Pearson Correlation | .440** | 1      |
|                    | Sig. (2-tailed)     | .000   |        |
|                    | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation

between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant. The correlation value is positive and above 0.400 which is considered as moderate correlation. So, it could be said that, there is significant relation between perceived CSR and board independency. Sig value in coefficient table in regression analysis and P value in regression weight table in structural model also supports the testing of hypothesis. In general language it can be said that if the Board members are independent then a firm can expect better CSR.

2. There is significant relation between perceived CSR and Gender Diversity of Board.

**Table 2:** Correlation table for sub- hypothesis -2

| Correlations              |                     |        |        |
|---------------------------|---------------------|--------|--------|
|                           |                     | CSR    | GD     |
| Perceived CSR             | Pearson Correlation | 1      | .593** |
|                           | Sig. (2-tailed)     |        | .000   |
|                           | N                   | 500    | 500    |
| Gender Diversity of Board | Pearson Correlation | .593** | 1      |
|                           | Sig. (2-tailed)     | .000   |        |
|                           | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant. The correlation value is positive and the value is 0.593, which is considered as good correlation. So, it could be said that, there is significant relation between perceived CSR and Gender Diversity of Board. Sig value in coefficient table in regression analysis and P value in regression weight table in structural model also supports the testing of hypothesis. The generalization of this finding can be said as if there is a balance of male and female in board the chances are high to find a better CSR in the firm. It is obvious that social issue and welfare objectives of male and female are different in any and every society. The balance of both genders in decision making will help the overall CSR. If a firm believes in CSR must have a board that consists Gender Diversity of Board.

3. There is significant relation between perceived CSR and Board Size.

**Table 3:** Correlation table for sub- hypothesis -3

| Correlations  |                     |        |        |
|---------------|---------------------|--------|--------|
|               |                     | CSR    | BS     |
| Perceived CSR | Pearson Correlation | 1      | .422** |
|               | Sig. (2-tailed)     |        | .000   |
|               | N                   | 500    | 500    |
| Board Size    | Pearson Correlation | .422** | 1      |
|               | Sig. (2-tailed)     | .000   |        |
|               | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant. The correlation value is positive and the value is 0.422, which is considered as moderate correlation. So, it could be said that, there is significant relation between perceived CSR and Board Size. Sig value in coefficient table in regression analysis and P value in regression weight table in

structural model also supports the testing of hypothesis.

4. There is significant relation between perceived CSR and employee’s perception of organizational support.

**Table 4:** Correlation table for sub- hypothesis -4

| Correlations                                    |                     |        |        |
|---|---------------------|--------|--------|
|   |                     | CSR    | OS     |
| perceived CSR                                   | Pearson Correlation | 1      | .438** |
|   | Sig. (2-tailed)     |        | .000   |
|   | N                   | 500    | 500    |
| employee’s perception of organizational support | Pearson Correlation | .438** | 1      |
|   | Sig. (2-tailed)     | .000   |        |
|   | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant. The correlation value is positive and the value is 0.438, which is considered as moderate correlation. So, it could be said that, there is significant relation between perceived CSR and employee’s perception of organizational support.

5. There is significant relation between perceived CSR and employee’s perception of brand image of firm.

**Table 5:** Correlation table for sub- hypothesis -5

| Correlations        |                     |        |        |
|---------------------|---------------------|--------|--------|
|                     |                     | CSR    | BrI    |
| perceived CSR       | Pearson Correlation | 1      | .549** |
|                     | Sig. (2-tailed)     |        | .000   |
|                     | N                   | 500    | 500    |
| brand image of firm | Pearson Correlation | .549** | 1      |
|                     | Sig. (2-tailed)     | .000   |        |
|                     | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant. The correlation value is positive and the value is 0.549, which is considered as good correlation. So, it could be said that, there is significant relation between perceived CSR and employee’s perception of brand image of firm. Sig value in coefficient table in regression analysis and P value in regression weight table in structural model also supports the testing of hypothesis.

6. There is significant relation between perceived CSR and employee’s perception of job satisfaction.

**Table 6:** Correlation table for sub- hypothesis -6

| Correlations     |                     |        |        |
|------------------|---------------------|--------|--------|
|                  |                     | CSR    | JS     |
| perceived CSR    | Pearson Correlation | 1      | .453** |
|                  | Sig. (2-tailed)     |        | .000   |
|                  | N                   | 500    | 500    |
| Job satisfaction | Pearson Correlation | .453** | 1      |
|                  | Sig. (2-tailed)     | .000   |        |
|                  | N                   | 500    | 500    |

\*\*Correlation is significant at the 0.01 level (2-tailed).

Correlation table shows that there is significant correlation between factors at the 0.01 level (2-tailed). Hypothesized correlation was at 0.05 level, which will also be significant.

The correlation value is positive and the value is 0.453, which is considered as moderate correlation. So, it could be said that, there is significant relation between perceived CSR and employee’s perception of job satisfaction. Sig value in coefficient table in regression analysis and P value in regression weight table in structural model also supports the testing of hypothesis. These are explained further in this chapter.

**Multiple Correlation Coefficient R and Model Summary**

**Table 7:** Multiple correlation coefficient R and Model summary

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1             | .786 <sup>a</sup> | .618     | .611              | 1.85974                    |

a. Predictors: (Constant), BI, GD, BS, OS, BrI, JS

The regression model summary shows that the model with nine predictor variables explains 61.1 % (Adjusted R Square=.611) variance of perceived CSR Y. Any model with Adjusted R Square value. 400 and above is acceptable. Multiple correlation coefficient (R) value is 0.786, which shows that all the factors explained in the model are highly correlated. This supports the hypotheses testing results.

**Development of Regression Equation**

**Table 8:** Coefficient Table

| Coefficients <sup>a</sup> |            |                             |            |                           |        |      |
|---------------------------|------------|-----------------------------|------------|---------------------------|--------|------|
| Model                     |            | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|                           |            | B                           | Std. Error | Beta                      |        |      |
| 1                         | (Constant) | -7.790                      | 1.081      |                           | -7.207 | .000 |
|                           | BI         | .097                        | .028       | .112                      | 3.423  | .001 |
|                           | GD         | .275                        | .033       | .282                      | 8.350  | .000 |
|                           | BS         | .187                        | .040       | .147                      | 4.656  | .000 |
|                           | OS         | .192                        | .042       | .143                      | 4.551  | .000 |
|                           | BrI        | .293                        | .040       | .238                      | 7.321  | .000 |
|                           | JS         | .105                        | .046       | .076                      | 2.302  | .022 |

a. Dependent Variable: CSR

In coefficient table all the sig value are below 0.05 (p=0.05 level). This shows that the entire variables have good regression weight on CSR. This supports sub hypothesis testing.

**Beta value of variables**

**Table 9:** Table of Beta value of variables

| (Constant) | B              | -7.790 |
|------------|----------------|--------|
| BI (X1)    | B <sub>1</sub> | .097   |
| GD (X2)    | B <sub>2</sub> | .275   |
| BS (X3)    | β <sub>3</sub> | .187   |
| OS (X4)    | B <sub>4</sub> | .192   |
| BrI (X5)   | B <sub>5</sub> | .293   |
| JS (X6)    | B <sub>6</sub> | .105   |

With the help of beta coefficient, the hypothesised equation can be written as:

$$Y = 0.097 X_1 + 0.275 X_2 + 0.187 X_3 + 0.192 X_4 + 0.293 X_5 + 0.105 X_6 - 7.790$$

The negative value of constant shows that initially the perception for CSR remains as a liability and gradually it results as a positive business activity.

**Conclusion**

The pertinence and significance of corporate social responsibility (CSR) is profoundly huge today in this capitalist economy, to guarantee the manageability of life and business later on. Mallen Baker defines CSR as, "It is about how companies deal with the business cycles to create a general positive impact on society."

As indicated by the United Nations, "Corporate Social Responsibility is an administration idea whereby companies coordinate social and natural worries in their business activities and interactions with their partners."

A great deal of Indian companies has been occupied with CSR path before it was made obligatory by the Companies Act 2013. But, 43% of the assets reserved for CSR by IT companies are unspent. Companies consider CSR to be an expense community however there are a ton of theoretical advantages of Corporate Social Responsibility.

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