

# **EMPLOYEE'S PERCEPTION TOWARDS THE CORPORATE SOCIAL RESPONSIBILITY INITIATIVES AND THE SUSTAINABILITY PRACTICES OF ITC LIMITED – AN ANALYTICAL STUDY**

**Dr. Veena Ishwarappa Bhavikatti**

Assistant Professor

School of Commerce and Management Studies

Dayananda Sagar University

Bangalore 560078

Karnataka

**Dr. Sony Hiremath**

Department of Management

Karnataka State Akkamahadevi Women's University

Vijayapura

## **ABSTRACT :**

*The current research paper is emphasized to determine the impact of various Corporate Social Responsibility initiatives of ITC limited over the sustainability of the employees. The employee's perceptions of the company's CSR practices have been tested. To attain the research objectives of the study, the data has been collected from 150 employees of the firm and analyzed. The researcher used percentile analysis and t-test to analyze the data.*

## **KEYWORDS**

*Corporate Social Responsibility, Sustainability, Employees Perceptions, CSR Initiatives*

## **INTRODUCTION:**

Corporate social responsibility is essential for survival of firms in today's competitive scenario. The firms today cannot succeed by concentrating on economic objectives; they rather need to be responsible towards all the various stakeholders. The stakeholders of a firm can be broadly categorized into 3 stakeholder groups: organizational, economic and societal. Granting satisfaction to each of the stakeholder groups helps companies to capitalize on their commitment to another chief stakeholder group—their investors (Friedman, 1962; Henrique's, 2003; Baron, 2007). CSR aims at providing satisfaction to all the major stakeholders and in return enhances company's goodwill and loyalty of customers. CSR is turning more and more essential for enhancing success in business—not only by rendering a

corporate theme around which the company can unite, but also by adding meaning and direction to day-to-day operations (Henrique's, 2003).

The importance of CSR today lies in the following factors:

**A. Changing social expectations:** As a rule, consumers and society expect more from the companies since they purchase their products. This sense has been intensified in the light of the various corporate scandals, which diminished public trust on business houses, and subjugated public confidence in the capability of regulatory bodies and organizations to check corporate surplus. In order to retrieve trust of the consumers back, it is necessary for the enterprises to invest more in CSR activities (Cowper-Smith. and de Grosbois, 2011).

**B. Increasing affluence:** Affluent or wealthy consumers have a chance to pick and select the goods they purchase. A society with the little work and low inward investment has lesser chances to impose rigid regulations and punish organizations that consider taking their business and money elsewhere. (Freeman and Liedtka, 1991)

**C. Globalization:** The media's rising influence catches any 'mistakes' by companies instantly and brings it immediately to the public's attention. As an add-on, the Internet stimulates communication amongst compatible groups and consumers— authorizing them to disperse their message, at the same time supplying them the means to organize collective action.

### **Problem Statement**

Although businesses have been making claims of being sensitive to societal needs since past, Corporate Social Responsibility has recently emerged as a strong marketing strategy for firms to earn target market's attention and differentiate themselves from competitors. Studies have proved that Corporate Social Responsibility acts as a strong tool to enhance brand image and turnover. Economic motives behind CSR initiatives sometimes surpass the welfare motives. However, in spite of these economic benefits most of the firms either do not indulge in such activities or do not make effort to report them. To improve corporate spending for social welfare and enhance transparency, the new Companies Act contains a clause regarding mandatory CSR contribution by all profit-making enterprises.

### **OBJECTIVES**

1. To understand the challenges for better implementation of CSR practices.
2. To analyse the CSR impact on Customer, Environmental and Community.
3. To know the perception of employees for CSR.

### **Research Design Strategy**

The research design strategy comprises of research methods, research approaches and research strategy which are selected for the purpose of the current study such that they are able to successfully fulfil the aims and objectives of the study.

**a) Research Method:** For the purpose of the current study, the explanatory research method has been found suitable wherein the need for investments in CSR are explained and inter-relationships between CSR management and factors like implementation, motivation and impacts are tested using pie charts.

**b) Research Approach:** The research is oriented in a positive theoretical perspective and the deductive research approach is used wherein the importance of CSR in modern business environment and its relationship with employees, environment and community are tested using quantitative data.

**c) Research Strategy:** Researcher strategy is a plan to focus on a combination of two research strategies, survey research strategy and narrative research (interviews). Surveys provide a quantitative description of attitudes or opinions of a population by studying a sample of that population using structured questionnaires with a view to generalize the findings obtained from the process.

#### **Sampling Technique:**

For the purpose of the current study, the stratified random sampling technique has been used for selection of respondents for the questionnaire and the respondents for the interviews.

#### **Population:**

The target population for the current study are MNC's of India which may or may not have initiated CSR activities in their organisation.

#### **Limitations of the study:**

The current study also faced certain limitations like all research studies. Thus, the results of the study must be viewed within the context of these limitations.

a) The research study has been based only in India, Karnataka State. Thus, the study is limited from being universal in nature.

b) The target population considered for the study was very small.

c) The study faced the limitation of time and resources.

#### **Hypothesis:**

H0: The Level of Awareness about CSR and Age are Independent

H1: The Level of Awareness about CSR and Age are not Independent

The results of the chi-square test between the level of awareness about CSR and age group as presented in table above shows that both the variables are not independents and null

hypothesis is rejected (Chi-square 30.019, df 6,  $p < 0.05$ ). Thus, we conclude that the level of awareness about CSR and age group are not independent. The awareness about CSR depends on the age group.

### **FINDINGS:**

1. Classification of respondent included in the survey by gender shows that 80% are Males and 20% are female, proportion of male respondents is higher than that of female.
2. It can be said that the response group majorly comprised of young male respondents aged between 31 to 40 years.
3. It is found that 50% of the people have other relationship with company, 33% of them are employee and 17% of them are Investor.
4. 50% of employees Strongly agree for Customer service and Customer Privacy, and other 50% of them agree with service its a blended combination.
5. The study indicated 50% strongly agree, 33% Agree & 17% of them neither agree nor disagree with Risk Management: Risk identification, Response management and Business management.
6. It is observed that 68% of them Agree, 17% of them strongly agree and 17% of them neither agree nor disagree with Human Capital Development: Employee Cultivation, Competency management and lifelong learning programs etc.
7. It is found that 70% of them Agree, 20% of them strongly agree and 10% Disagree with Employee diversity and inclusiveness: Composition of employees, Employee communication, Employee sense of belonging to the company and Employee cohesiveness.

### **CONCLUSION:**

The current study is focused on analysing the CSR scenario in the MNC'S of India in view of the increasing popularity of the concept. It has been found that the concept of CSR has been picked up very well by the the country and they were mostly into rural development, women empowerment, education, health and up- liftment of the poor. The fact that most have their mission and vision in alignment with their social responsibilities also shows that they are actively involves in CSR activities. Driven by economic benefits of being involved in CSR activities,. However, despite its success and popularity, the companies face multiple challenges in the implementation of their CSR policies and programmes. The issues of lack of social know how, high costs, money-centric mind-set and lack of supporting institutions hinder the successful and effective implementation of these policies. It has been found that the involvement in such activities has led to multiple benefits for them including increase in profits, improvement in economic contribution towards country and improvement in access to capital due to adoption of CSR activities.

## **RECOMMENDATIONS:**

In view of the findings of the study, the following recommendations have been made which may help in increasing the effectiveness of CSR in MNC's:

1. It may be recommended that companies focus more on the well-being of their employees specially in terms of ensuring work-life balance and competitiveness of wages.
2. In order to implement CSR guidelines in a more effective manner the companies must either train their existing manpower or acquire skilled know-how from the social field.
3. To ensure that the companies lead the way, they should conduct CSR activities effectively and increase their effectiveness so that it results in larger economic benefits to the firm.
4. In today's scenario, it is very essential the government comes up with proper institutions which are proficient in executing CSR policies effectively.
5. With respect to enhance CSR performance, the companies are required to focus effectively on redressal of customer complaints wherein adherence, commitment towards providing value and accuracy of information about product is ensured.
6. The companies must create growth opportunities for their employees, maximize the value for their shareholders and sustain in an environment-friendly manner without harming the natural resources and the general public and the message should be exhibited in the Mission and Vision Statement of the companies.

## **REFERENCES**

1. Abratt, R., & Mofokeng, T. N. (2001). Development and management of corporate image in South Africa. *European Journal of Marketing*, (3/4), 368-386.
2. Argenti, P., Howell, R.A. and Beck, K.A. (2005), 'The strategic communication imperative', *MIT Sloan Management Review*, Spring: 83-89.
3. Archie B C. and Buchholtz A K, (2008) *Business and Society: Ethics and Stakeholder Management 7e*; Seventh Edition, South-Western Cengage Learning, US.
4. Babbie, E. R. (1990). *Survey Research Methods*. Wadsworth Publishing Company
4. Worcester, R. (2009). Reflections on Corporate Reputations. *Management Decision*, (4), 573-589.