

## THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN FOSTERING SUSTAINABLE SOCIETIES

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### Abstract

**Introduction:** This paper aims to identify the role of CSR in the development of Indian companies' society. This section is based on the background of the research. Therefore, research objectives, and research questions are also highlighted in this section.

**Literature Review:** based in the research objectives, themes are created in this section. Therefore, based on these themes, detail knowledge about this research has to be conducted.

**Methodology:** For this study, primary quantitative data collection was used to gather data. It is making certain that the results are founded on first-hand knowledge obtained straight from the participants.

**Findings:** The study guarantees that the findings are trustworthy, impartial, and supported by statistical data that makes it possible to identify the responsibility of CSR on the development of the companies of Tamil Nadu. This statistical information also helps to gain real-time data about this research.

**Discussion:** CSR has a positive impact on the organization. As per this research, it has been discussed that, with the help of CSR, the brand reputation of the company has to be generated. Therefore, the satisfaction of the customers also improved with the aid of CSR practices

**Conclusion:** With the aid of this study, it has been concluded that CSR has a positive potential impact on the business. It helps to improve the overall strategy of the business. Therefore, authentication of the organization has to be generated and it helps to improve the overall structure of the company.

**Keywords:** “Corporate Social Responsibility, Business Development, India, Tamil Nadu, Organizational Strategy”

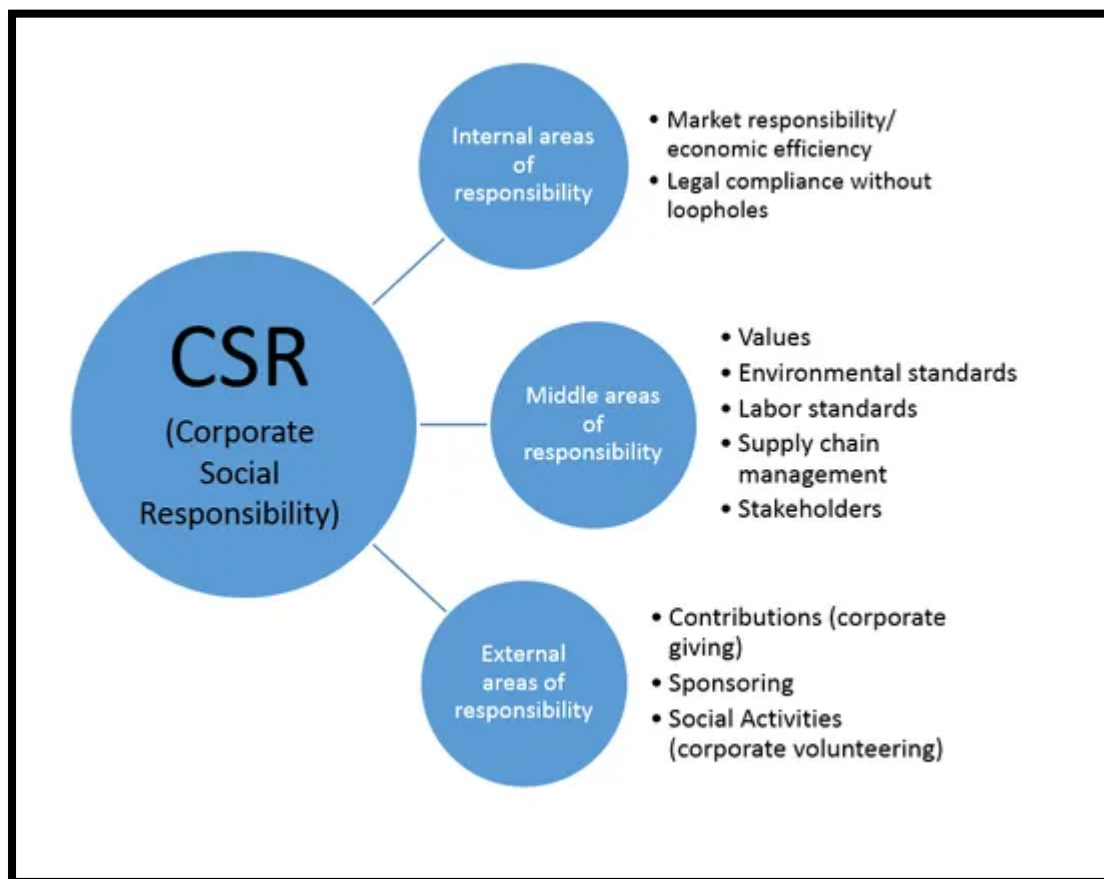
### Introduction

Businesses may improve their brands and have a good social effect through volunteerism, charity, and CSR initiatives. In essence, socially conscious companies self-regulate by incorporating concerns like poverty, diversity, inclusion, equality, and climate change into their corporate objectives (Nikhil & Bhavani, 2020). A company that practices corporate social responsibility makes a deliberate effort to conduct its operations in a way that

benefits society and the environment rather than harming them. CSR may enhance society and help businesses project a favorable image. Programs for corporate social responsibility seek to establish a framework for an organization's charitable endeavors, community service, and good social impact (Arumugam & Manida, 2020). Companies are using corporate social responsibility (CSR) more and more to change the world and enhance their company's reputation.

### Background of the Study

“Education, healthcare, the environment, rural development, and poverty reduction are just a few of the many topics covered by CSR initiatives in India. Among other projects, businesses are funding the construction of schools, offering healthcare, encouraging renewable energy, and supporting sustainable agriculture”. CSR is really about making a positive impact on society. Businesses significantly contribute to the improvement of many people's quality of life by taking part in charitable endeavors, helping out in the community, and tackling social concerns (Mallick & Sahoo, 2023). In the past, CSR has been conducted informally as charitable giving to the underprivileged and impoverished. The significance of distributing one's income to the underprivileged segments of society has been addressed several times in Indian texts. Sharing and caring are deeply ingrained in our culture.



**Figure 1: Role of CSR in Indian Company**

(Source: Molla & Mitra, 2020)

“Corporate social responsibility (CSR)” initiatives are a great way to show how your company feels about the environment, the economy, and society in general. Businesses may be more socially responsible to the public, stakeholders, and themselves thanks to this self-

regulating business model (Damodar, 2021). Programs for corporate social responsibility seek to establish a framework for an organization's charitable endeavors, community service, and good social impact. Companies are using corporate social responsibility (CSR) more and more to change the world and enhance their company's reputation.

### **Research Aim**

This paper aims to identify the role of CSR in the development of Indian companies' society.

### **Research Objectives**

**RO 1:** To identify the impact of CSR on the Indian company

**RO 2:** To address the role of CSR in the societal development

**RO 3:** To analyze the negative impact of CSR on the development of the companies of Tamil Nadu

**RO 4:** To highlight the role of CSR in the business strategy of an Indian company

### **Research Questions**

**RQ 1:** What is the impact of CSR on the Indian company?

**RQ 2:** What is the role of CSR in societal development?

**RQ 3:** What is the negative impact of CSR on the development of the companies in Tamil Nadu?

**RQ 4:** What is the negative impact of CSR on the development of the companies in Tamil Nadu?

### **Hypothesis**

**H 1:** CSR has a positive impact on Indian company

**H 2:** CSR has been correlated with societal development

**H 3:** CSR is positively correlated with the business strategy of Indian companies

### **Literature Review**

#### **Identify the impact of CSR on the Indian company**

Corporate performance is impacted over time by CSR activities. This is especially true during recessions, when CSR programs, such as charity donations, provide consumers a clue that a brand is of higher quality. CSR's place in corporate strategy. As commented by Ray (2023), in India, corporate social responsibility (CSR) is both a legal requirement and a useful commercial tool. Businesses may develop a favorable brand image, encourage goodwill in the community, and draw in socially aware investors and clients by incorporating CSR into their fundamental strategy. Adopting CSR enhances corporate image, draws in top talent and investment prospects, boosts employee engagement, promotes customer retention and loyalty, and has an impact on bottom-line financials.



**Figure 2: CSR and business reputation**

(Source: Roopaa & Gopinath, 2022)

The corporate reputation of the company has to be developed with the aid of these CSR activities. Therefore, brand image as well as the reputation of the organization also improved through this process. Various CSR projects like education, environmental sustainability, and community development, therefore, positive public reputation also enhanced with the aid of these CSR practices. After that, as argued by Thadikaran (2021), it also helps to improve the relations with the stakeholders. Moreover, a strong relationship with the customers and the employees helps to develop the overall business strategy of the company. Employee engagement, as well as the morale of the organization also developed with the aid of these CSR practices. Therefore, employees feel a sense of pride in working for the social responsibilities of the organization. Furthermore, as stated by Jumde & Du Plessis (2022), the sustainability development of the company is essential for the enhancement of the brand reputation. Moreover, sustainability also helps to promote innovation which helps to attract customers. Clean energy projects also help to enhance the loyalty of the customers as well as the employees.

### **Critically address the role of CSR in societal development**

Corporate social responsibility (CSR) initiatives are a great way to show how your company feels about the environment, the economy, and society in general. Businesses may be more socially responsible to the public, stakeholders, and themselves thanks to this self-regulating business model. As highlighted by Kurlapkar (2022), a typical definition of corporate social responsibility (CSR) is a business strategy whereby organizations incorporate social and environmental issues into their operations and stakeholder relationships rather than focusing solely on financial gains. On the other hand, as mentioned by Molla & Mitra (2022),

corporate social responsibility, or CSR, is a company commitment that supports corporate social sustainability. In order to enhance the quality of human life, the environment, and the economy over the long run, corporate social sustainability collaborates with workers, their families, local communities, and society at large.



**Figure 3: Positive impact of CSR**

(Source: Kurlapkar, 2022)

The proper goal of the business has to be developed with the aid of CSR, moreover, it also helps to achieve the long-term goal of the business. Therefore, employees become more responsible and it helps to improve the overall growth of the business. As mentioned by Jumde & Du Plessis (2022), CSR is predicated on the idea that companies have an obligation to society that goes beyond simply being attracted to the development of the company. Moreover, organizational effectiveness also improved and it has a positive impact on the business growth. Organizations are also able to improve their overall business strategy with the support of these CSR practices. On the other hand, as argued by Thadikaran (2021), a proper marketing strategy for the companies of Tamil Nadu has been developed through this process. Furthermore, a well-developed business structure has to be generated by this process and it has a potential impact on the business.

### Methodology

For this study, primary quantitative data collection was used to gather data. It is making certain that the results are founded on first-hand knowledge obtained straight from the participants. Seventy individuals were chosen as a sample to reflect a wide range of adolescents

with impairments (Ray, 2023). It guarantees that many viewpoints and experiences are documented. Numerical data may be systematically collected using this strategy. "IBM SPSS software" was used to analyze the gathered data. It is an effective statistical analysis tool, and the researchers were able to do in-depth data analysis thanks to SPSS. These consist of correlation analysis, descriptive statistics, and SPSS-based hypothesis testing.

The study guarantees that the findings are trustworthy, impartial, and supported by statistical data that makes it possible to identify the responsibility of CSR on the development of the companies of Tamil Nadu. therefore, the business strategy of Indian companies along with CSR also highlighted in this study (Damodar, 2021). This statistical information also helps to gain real-time data about this research. Biasless data has been collected by this process, moreover, this process also helps to gain real-time data which helps to provide detailed information about this research. Positivism research philosophy is also used in this method and it has a significant impact on the overall development of the company (Molla & Mitra, 2020). Researchers are able to gain knowledge about this research topic, and the role of CSR is also discussed properly in this research.

## Findings

### Demographic Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Gender	70	1	3	2.04	.875
Age	70	1	3	2.14	.767
Valid N (listwise)	70				

**Table 1: Demographic Statistics**

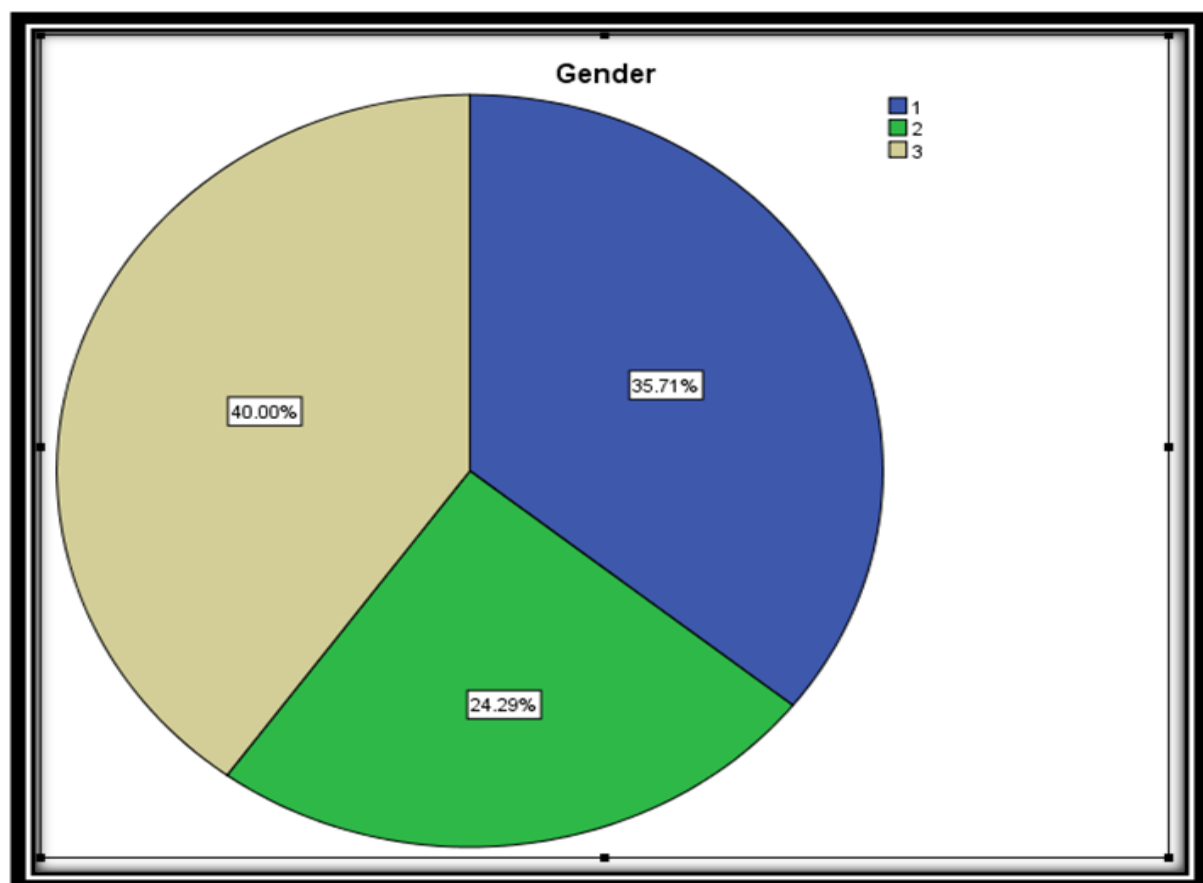
(Source: IBM SPSS)

The above-categorized table displays descriptive statistics for two variables: age and gender. The table, which is based on a sample of 70 individuals, includes critical metrics such as the lowest, maximum, mean, and standard deviation. The data suggest that the participants were most likely split into three groups: 1 presumably represented "Male," 2 "Female," and 3 some other category. The majority of participants categorized as gender category 2 (mean score of 2.04), most likely "Female." The standard deviation of this statistical data is 0.875, which helps to indicate "moderate variability" in the gender distribution across all three categories. Participants were split up into three age groups to represent different age ranges that fall within the second category. The "standard deviation" of 0.767 indicates that age variability is less varied than gender variability.



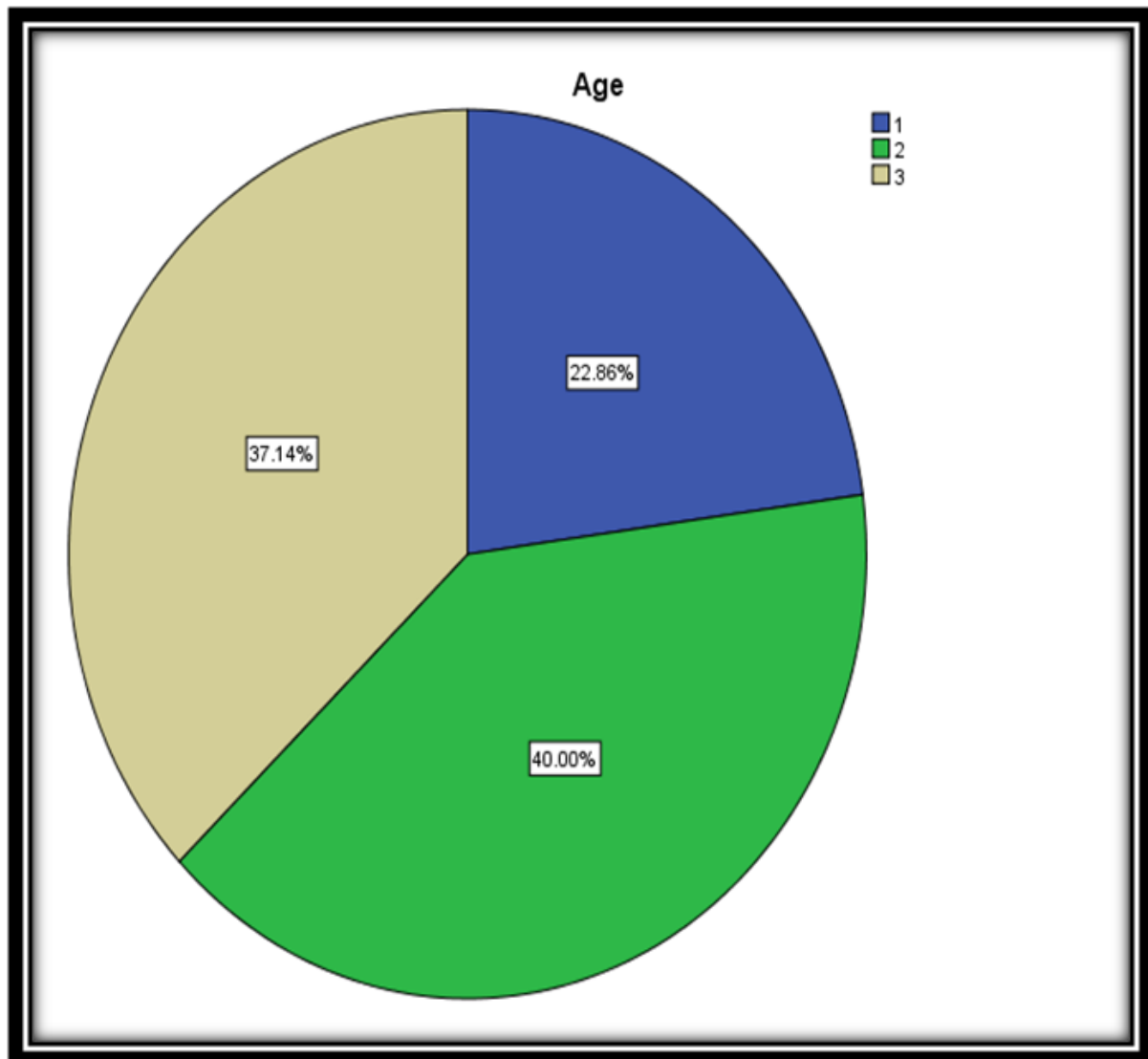
"What is your gender?"			
Option	Number of responses	Percentage of response	Total responses
"Male"	39	40%	70
"Female"	26	36%	70
"Others"	5	25%	70

**Table 2: Gender**  
(Source: SPSS)



**Figure 4: Gender**  
(Source: IBM SPSS)

The graph above shows that, of the participants, 36% are women, making up a little smaller group, and 40% are males, making up the largest group. Additionally, 25% of respondents identify as "others," which includes unclear, orientation-non-adjusting, and non-parallel classes. Another illustration of orientation personality is seen in this explanation.



**Figure 5: Age**

(Source: IBM SPSS)

The largest age group, with 40% of the members, is people in their 20s to 40s, according to the statistics. In contrast, 37% of respondents are between the ages of 40 and 60, suggesting a rather elderly demographic. Lastly, 23% of members are over 60, which is comparable to the review's more modest proportion of more seasoned members. There is a noticeable age circulation in this.

### **Statistical Analysis**



Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	IV3, IV2, IV1 <sup>b</sup>	.	Enter

a. Dependent Variable: DV  
b. All requested variables entered.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.205 <sup>a</sup>	.042	-.001	2.34177

a. Predictors: (Constant), IV3, IV2, IV1

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.908	3	5.303	.967	.414 <sup>b</sup>
	Residual	361.935	66	5.484		
	Total	377.843	69			

a. Dependent Variable: DV  
b. Predictors: (Constant), IV3, IV2, IV1

**Table 3: Regression Analysis**

(Source: Created by IBM SPSS)

The Model Rundown table offers crucial information for a relapse analysis using the dependent variable (DV) and three free variables (IV1, IV2, and IV3). The dependent variable and the indicators (IV1, IV2, and IV3) have a weakly positive association, as indicated by  $R = 0.205$ . This implies that the free components and the DV have little in common. R Square (0.042) indicates how much of the change in the dependent variable can be attributed to the free components. In these conditions, only 4.2% of the variability in the DV can be explained by IV1, IV2, and IV3.

After accounting for the number of indicators in the model, the Modified R Square (-0.001) indicates that the model no longer operates on the forecast. The ANOVA table displays the overall fit of the regression model using "the dependent variable (DV) and independent variables (IV1, IV2, IV3)". To demonstrate how the independent variables account for the variance requirement in the DV, the Sum of Squares (Regression = 15.908) is employed. There are discrepancies that the model cannot explain, according to the Residual Sum of Squares (361.935).

		Correlations			
		DV	IV1	IV2	IV3
DV	Pearson Correlation	1	.058	-.111	.158
	Sig. (2-tailed)		.631	.358	.192
	N	70	70	70	70
IV1	Pearson Correlation	.058	1	.090	.014
	Sig. (2-tailed)	.631		.458	.905
	N	70	70	70	70
IV2	Pearson Correlation	-.111	.090	1	.011
	Sig. (2-tailed)	.358	.458		.929
	N	70	70	70	70
IV3	Pearson Correlation	.158	.014	.011	1
	Sig. (2-tailed)	.192	.905	.929	
	N	70	70	70	70

**Table 4: Correlation Analysis**

(Source: IBM SPSS)

The following table shows the Pearson connection coefficients and their significance levels as well as the connection lattice between a dependent "variable (DV) and three free factors (IV1, IV2, IV3)". There is a weakly positive link ( $r = 0.058$ ) between DV and IV1. This link is not statistically significant, even though the significance threshold ( $p = 0.631$ ) is much higher than 0.05. At -0.111, the relationship between IV2 and DV is clearly negative. Furthermore, the significance level ( $p = 0.358$ ) indicates that this relationship is not particularly important. The connection score of 0.158 indicates that IV3 and DV have a weakly positive correlation. The importance of esteem ( $p = 0.192$ ), however, suggests that this link is not really that strong.

### Discussion

CSR has a positive impact on the organization. As per this research, it has been discussed that, with the help of CSR, the brand reputation of the company has to be generated. Therefore, the satisfaction of the customers also improved with the aid of CSR practices (Mallick & Sahoo, 2023). In this study, the research method has been discussed, therefore, the reason behind choosing this method is also highlighted in this research. CSR practices in Indian companies and the benefits of these practices are also highlighted in this research paper.

Therefore, as per this research, it has been discussed that the regression model is made up of three predictors, such as IV1, IV2, and IV3. Consequently, the regression's df is 3, whereas the residual distribution's (df) dimension is 66. In contrast to the variation that is unclear (regression = 5.303, residuals = 5.484, respectively), Mean Square displays the average variability that can be explained by the predictors. Furthermore, the p-value (Sig. = 0.414), which is greater than 0.05, indicates the probability significance of the regression model's inability to significantly predict the DV. The Coefficients table indicates that none of the independence factors (IV1, IV2, and IV3) have p-values (Sig.) higher than 0.05, which is quite

noteworthy. According to the Undefined Parameters, IV2 has a detrimental effect, whereas IV1 and IV3 have positive benefits.

Over the course of the previous six years (FY15 to FY21), more than INR 4000 crores in CSR funding have been invested for social development initiatives in Tamil Nadu. Education has received 39% of the cash, healthcare has received 20%, and rural development has received 8% (Nikhil & Bhavani, 2020). One of the top CSR financing firms in Tamil Nadu is Indian Bank, a prominent public sector bank in India. The bank is dedicated to advancing environmental sustainability, healthcare, and education (Arumugam & Manida, 2020). Companies can demonstrate their social responsibility by contributing cash, goods, or services to nonprofit organizations and social causes. Bigger businesses often have more resources available to support local community initiatives and organizations, but even tiny businesses may have an impact.

### Conclusion

With the aid of this study, it has been concluded that CSR has a positive potential impact on the business. It helps to improve the overall strategy of the business. Therefore, authentication of the organization has to be generated and it helps to improve the overall structure of the company. Section 135 of the Enterprises Act, 2013, which requires some enterprises to participate in activities that support the nation's social, environmental, and economic development, made corporate social responsibility (CSR) essential for certain businesses as of April 1, 2014. In the present Indian context, corporations are required to allocate 2% of their average net earnings over the previous three fiscal years to corporate social responsibility (CSR) under the New Companies Act, which was revised in December 2012. This applies to businesses having a net worth of 500 cr, a turnover of 1000 cr, or a profit after taxes (PAT) of 5 cr.

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**Appendix: Survey Questions**

1. What is your gender?
2. What is your age?
3. Businesses may improve their brands and have a good social effect through volunteerism
4. A company that practices corporate social responsibility makes a deliberate effort to conduct its operations
5. "Education, healthcare, the environment, rural development, and poverty reduction are just a few of the many topics covered by CSR
6. CSR has been conducted informally as charitable giving to the underprivileged and impoverished
7. CSR helps to improve brand reputation
8. Sustainability within the organization has been entertained by CSR
9. CSR helps to attract customers by their innovative business strategy
10. Overall performance of the company has been fostered by CSR