

Perception of Corporate Social Responsibility among the General Public

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## Perception of Corporate Social Responsibility among the General Public

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### Abstract:

*Corporate Social Responsibility (CSR) is becoming a strategic positioning tool for many corporate companies in India. In this study, we studied the level of awareness of the general public towards CSR and how it is related with the company's brand image and reputation. It is found that some people are not aware of CSR initiatives by the companies and many are of the opinion that companies are contributing to the society but do not know the name for that activity is Corporate Social Responsibility. The questionnaire contains the demographic information of the respondents, level of awareness and individual perception towards the CSR activities and it was circulated to the general public. These results of this study are based on the online survey responses from 150 respondents. This research paper tries to highlight the importance of Corporate Social Responsibility towards society.*

**Key words:** CSR, Awareness, Public Perception, Initiatives.

### INTRODUCTION:

Corporate Social Responsibility is not new to India, companies like TATA and BIRLA have been absorbing the case for social good in their operations for decades long before CSR became a popular cause. It is still one of the least understood initiatives in the Indian development sector. According to Companies Act, 2013, "CSR policy" relates to the activities to be undertaken by the company in areas or subjects specified in schedule VII to the act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company; A lack of understanding, inadequately trained personnel, non-availability of authentic data and specific information on the kinds of CSR activities causes reach and effectiveness of CSR programs. The concept of CSR originated from the need for making the development process sustainable. This study mainly concentrated on the objective to find the relationship between the awareness of CSR and brand image of the companies through CSR.

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## **OBJECTIVES:**

- To identify the relationship between level of awareness of Corporate Social Responsibility and age.
- Key problem area of unawareness of Corporate Social Responsibility.
- This study helps to analyse the perception of the general public towards Corporate Social Responsibility.
- To find the relationship between Corporate Social Responsibility and Brand Image or Reputation of the Company.

## **NEED OF THE STUDY:**

The primary need for this research is to know the level of awareness among the public towards CSR. CSR plays a vital role in the creation of awareness, brand image and reputation about the Companies to the people. The Companies Act, 2013 provides for CSR under section 135. Thus, it is mandatory for the companies covered under section 135 to comply with the CSR provisions in India. Companies are required to spend a minimum of 2% of their net profit over the preceding three years as per the CSR policy. This policy is applicable to the companies having net worth more than 500 crores, turnover more than 1000 crores, net profit more than 5 crores in the preceding financial year. This research helps to create an awareness among the general public towards the need of CSR.

## **SCOPE OF THE STUDY:**

This study will be extended to areas on their perception of the public and its impact on CSR activities by companies. This study

- Aims to investigate the perception of the people towards CSR after it became mandatory to the companies.
- It is for the people to understand the importance of CSR towards the society.
- It is for the people who were not aware of these kinds of social activities.
- It is for the companies who are doing CSR activities and how it is related to their brand image and reputation.

## **RESEARCH METHODOLOGY**

This research is conducted on the general public who have an opinion on their level of awareness towards the CSR and perception on the improvements to be made towards the CSR activities. A self-made questionnaire was created with the help of G-Forms and links were circulated to the respondents. The data collection was conducted through a survey method. To analyse the results from the data, ANOVA, correlation, and cross tabulation have been used. The respondents were limited to 150 and the data was added to the SPSS software. The quantitative method is used to understand the trends and statistical truth in the research.

## **REVIEW OF LITERATURE:**

**Sapna Dadwal, Dr. Prabha Arya (2023), “An Analysis of Employee's Perception towards CSR (Corporate Social Responsibilities) Practices by Banks during Pandemic”.**

These Authors are conveying their perception of employees of private and public banks regarding the CSR initiatives. They also describe the contribution of public and private banks towards the society and most of the banks have recognized the importance of CSR and started

implementing CSR initiatives. This research paper aims at knowing the perception of employees of banks towards the importance of CSR and analysing the expenditure of banks for the development of society. As a result, the employees understand the importance of Corporate Social Responsibility (CSR) for the image of the bank as well as for the society and feel that while implementing such practices they face shortage of human force.

**Milica Nikolić, Milica Maričić, Dejana Nikolić (2022), “Consumers’ Perception of CSR Activities: What Does it Mean for Companies?”**

This paper explore the factors which impact the consumers' word of mouth and willingness to pay for products and services of socially responsible companies. The author illustrates that both attitudes towards CSR and CSR companies have an impact on the level of trust and purchase intention. The model indicates that the companies should communicate their CSR activities which will lead to greater trust and purchase intention leading to higher consumer willingness to pay and recommend the companies' products and services.

**Aparajita Pattnaik, Dr. Tattwamasi Paltasingh (2021), “Impact of Corporate Social Responsibility Initiatives of Bhilai Steel Plant and ACC Jamul on the Perception of Beneficiaries”.**

The Author says that the companies have taken CSR initiatives in the area of education, health care and infrastructure development have affected the perception of the beneficiaries positively. This research paper was focused on the impact of corporate social responsibility (CSR) practices on the perception of beneficiaries of these CSR activities. On the other hand, CSR initiatives in the field of environment have not affected the perception of beneficiaries favourably. The author makes a statement that the companies need to make a balance between their environmental, social, and economic responsibilities.

**Sanjay Kumar Panda (2018), “Corporate social responsibility in India”**

This is a research paper which describes the role of Corporate Social Responsibility in India. The role of CSR is enlarging in the society and there is a need to understand the importance of CSR in India. This paper has concentrated on the two parts. Major issues relating to CSR have been dealt in the first part and case studies on CSR have been taken on the second part. Present status of CSR in India has also been discussed in this paper. From the study, it appears that the awareness about CSR has been increasing among the Indian Corporate, both in public and private sector companies. The author says that many companies have been regulating the CSR practices in India and disclosing the expenditure made on CSR activities in their annual report.

**DATA ANALYSIS AND INTERPRETATION:**

H0: There is no significant relationship between CSR and brand image

H1: There is a significant relationship between CSR and brand image.

Table 1: CSR activities by the companies and creation of brand image

<b>Correlations</b>			
		Do you agree that CSR Helps in enhancing the brand image or reputation of the company?	Have you heard anything about CSR activities of companies given below:
Do you agree that CSR Helps in enhancing the brand image or reputation of the company?	Pearson Correlation	1	.066
	Sig. (2-tailed)		.446
	N	135	135
Have you heard anything about CSR activities of companies given below:	Pearson Correlation	.066	1
	Sig. (2-tailed)	.446	
	N	135	135

**INTERPRETATION:**

Table 1 shows that value of correlation coefficient is 0.446 which is much greater than 0.05. Hence, the null hypothesis is accepted. This reveals that there is no significant relationship between enhancing the brand image of the company and CSR activities by the companies.

H0: There is no significant difference between age and awareness of CSR

H1: There is a significant difference between age and awareness of CSR.

Table 2: Age of respondents and their level of awareness towards CSR

<b>ANOVA</b>					
What is your level of awareness towards corporate social responsibility?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.482	4	.621	1.479	.212
Within Groups	60.851	145	.420		
Total	63.333	149			

**INTERPRETATION:**

From the above table, the F value is 0.212, which is significant and hence, the null hypothesis is accepted. This reveals that there is no significant difference between age of the respondents and level of awareness towards CSR.

H0: There is no significant difference between occupation and importance of CSR.

H1: There is a significant difference between occupation and importance of CSR.

Table 3: Occupation of respondents and importance of CSR

ANOVA					
Do you think that CSR is important, that every company must follow? (In your perception)					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.174	4	.293	.302	.876
Within Groups	126.352	130	.972		
Total	127.526	134			

**INTERPRETATION:**

From the above table, the significant value is 0.876 which is very much greater than 0.05. Hence, the null hypothesis is accepted. This reveals that there is no difference between occupation of the respondents and the importance of CSR that every company must follow.

H0: There is no significant relationship between advertisements and CSR activities by companies.

H1: There is a significant relationship between advertisements and CSR activities by companies.

Table 4: Advertisements regarding CSR activities by companies

Correlations			
		Have you ever seen any advertisements regarding CSR by any companies?	Have you heard anything about CSR activities of companies given below:
Have you ever seen any advertisements regarding CSR by any companies?	Pearson Correlation	1	.178*
	Sig. (2-tailed)		.039
	N	135	135
Have you heard anything about CSR activities of companies given below:	Pearson Correlation	.178*	1
	Sig. (2-tailed)	.039	
	N	135	135

**INTERPRETATION:**

Table 4 gives the correlation coefficient value is 0.039 which is lesser than 0.05. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted. This reveals that there is a significant relationship between advertisements regarding CSR and CSR activities by the companies.

**5. CAUSE OF UNAWARENESS:**

What is your level of awareness towards corporate social responsibility? * What is your cause of the problem of unawareness towards CSR? Cross Tabulation					
Count					
		What is your cause of the problem of unawareness towards CSR?			Total
		Less advertisements	Lack of corporate knowledge	Lack of involvement in CSR activities & its impact	
What is your level of awareness towards corporate social responsibility?	Unaware	3	9	3	15
Total		3	9	3	15

**INTERPRETATION:**

From the above table, the cause of unawareness is due to lack of corporate knowledge since, the majority of the respondents had selected this option in large number.

**FINDINGS AND SUGGESTIONS:**

- In this study, it is found that there is no relationship between the CSR activities made by the companies and the brand image of the companies that are practicing CSR activities.
- It is found that there is no significant difference between the age of the respondents and the level of awareness towards CSR of the respondents.
- From the results, it is clear that there is no significant difference between the occupation of the respondents and the importance of CSR that every company must follow.
- It is found that there is a significant relationship between the advertisements regarding CSR activities and the CSR activities done by the companies.
- From the study, the cause of unawareness towards CSR is due to the lack of corporate knowledge among the people.
- There should be more advertisements regarding the CSR activities to create more awareness among the general public.
- The study suggests the companies to increase more funds on CSR activities from their net profit.

**CONCLUSION:**

This study is a key factor to create an awareness among the people to know more about the CSR activities and to show the relationship between the CSR activities done by the companies and their brand image created through these activities. Since, the respondents are general public, it will be more useful in the future to be aware of corporate social responsibility and thus have an impact on the benefits provided to the society.

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