

Original Article

A Public Sector View of the Critical Success Factors for Corporate Social Responsibility in India

M. Navin Srivatsav¹ K. Manimekalai²

¹Research Scholar, Department of Social Work, Alagappa University

²Research Supervisor, Professor, Former Head, Department of Women's Studies Alagappa University

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Abstract

Corporate Social Responsibility (CSR) is increasingly being recognized as a crucial strategic asset for public sector organizations, playing a significant role in enhancing their performance, reputation, and community relationships. Research has consistently demonstrated a positive correlation between CSR initiatives and financial success, suggesting that investments in CSR can lead to long-term benefits, such as increased customer loyalty and improved employee morale. However, despite these encouraging findings, there remains some uncertainty regarding the specific factors that contribute to the positive impact of CSR on business performance. Several key elements have been identified as critical to this relationship, including strong leadership commitment, active engagement with stakeholders, and a clear alignment of CSR initiatives with the organization's core values. Understanding these components is vital for organizations that seek to effectively leverage CSR and maximize its influence on their overall success. By concentrating on these areas, public sector organizations can not only meet their social responsibilities but also enhance their operational effectiveness and community standing. This strategic approach to CSR can lead to a more sustainable and positive impact, ultimately benefiting both the organization and the communities they serve. In this way, CSR becomes not just a moral obligation but a strategic imperative that can drive long-term success and resilience in the public sector. The objective of this research is to examine CSR key success factors (CSFs) in the Indian public sector empirically. It aims to assess the elements that contribute to CSR's performance in Indian public sector companies.

Keywords: Corporate social responsibility, Stakeholder, Correlation, Regression.

Introduction

In general, CSR, or corporate social responsibility, refers to the bond that exists between an organization and the larger community. Businesses need to understand that their success is reliant on the well-being of the community. Therefore, the goal of any conscientious corporation is to both benefit from and fulfill its commitment to give back to the community in which it operates. Since 1991, globalization, privatization, and LPG liberalization have all gained traction, and CSR is no exception. Considering the scale and reach of businesses,

Research Methodology and Design

Both primary and secondary data are used in the investigation. To ascertain opinions, ratings, individual preferences, attitudes, etc., primary data is used. In-depth interviews, focus groups, surveys, and observation are examples of primary sources that are used to identify various variables under various dimensions. A survey was distributed to sixty CEOs connected to PSU CSR initiatives. The study's questions are intended to comprehend CSFs for PSU adoption of CSR while taking into account the elements found in pertinent literature. Twenty elements total, which were determined through focus group discussions and incorporated into the questionnaire.

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Address for correspondence:

M. Navin Srivatsav, Research Scholar, Department of Social Work, Alagappa University

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A total of 86 respondents, or more than 70% of the sample, answered; 76 of those responses (or 63%) are considered to determine the important factors. Six of the twenty factors identified by the survey analysis are essential for the successful implementation of CSR in PSUs. These are

- Integrating CSR with functional strategies of the organization
- Top management support
- Organizational ability to manage stakeholder groups
- CSR investment evaluation/benefit realization
- Internal support
- External support.

Prior to surveying a sizable number of PSUs, a pilot survey is conducted in order to gauge the significance of the aforementioned elements. This is done in order to assess the questionnaire's appropriateness, comprehensibility, and possible response rate. The questionnaire was utilized exactly as it was for the main survey because all of the feedback received regarding it were positive.

The study's population consists of top CSR practitioners from Indian PSUs. One hundred executives received an electronic questionnaire in the mail for data gathering. As a result, a representative sample of numerous businesses from various industries is chosen. Both huge, internationally operating enterprises and small- to medium-sized businesses were included in the selection. The number of completed surveys—64 (64 percent)—and the number of usable questionnaires—52 (52 percent)—both exceed the typical rate of completed electronic surveys by a considerable margin.

Table 1. Personal details of the respondents

Gender		
Male	82	78.85
Female	22	21.15
Age		
20–29	8	7.70
30–39	26	25.0
40–49	48	46.15
50–59	22	21.15
60–	Nil	
Primary spokespersons for your firm?		
Yes	104	100

No	Nil	0.00
Were you employed by the firm previously?		
Yes	104	100
No	Nil	0.00
Length of time in position		
Less than 1 year		
1–2 years	Nil	0.00
3–4 years	Nil	0.00
5–10 years	56	53.85
10 years	48	46.15

Table 2. Background information: job title of respondents

CSR manager	78	75.0
Company secretary	6	5.77
Finance director	4	3.85
Other (including a range of operational titles)	16	15.38
Total	104	100

79 percent of the population was male, between the ages of 40 and 49, and they identified as the official environmental spokesperson for their companies. With 46% of respondents holding their position for more than ten years and 54% holding it for five to ten years, the majority of respondents had respectable experience working for the same companies. The responders have offered these descriptions of themselves, so there is no reason to doubt their veracity. Relatively significant corporations are receiving responses on their behalf. Only 35% of respondents were from small and medium-sized businesses, whereas 75% of respondents are CSR managers (Table 2) of major organizations (65%).

The questionnaire included eleven variables that were relevant to the successful implementation of CSR out of 59 items that addressed the six elements. It was asked of the respondents what they thought was relevant to success. With a combination of open-ended and Likert scale (1–5) questions, the questionnaire's framework included a wide range of topics related to the determinants of success as well as other general organizational concerns. To evaluate the data from the questionnaire, SPSS is used.

Data Analysis

SPSS Version 14.0 is used for data analysis and inferential statistics such as factor analysis utilizing principal component analysis with varimax rotation. The validity and reliability of the instruments are tested, and they are also utilized to look into the research issues. The questionnaire's construct validity (convergent and discriminant), cross-validity, and content validity (face) are all assessed.

Given that relevant secondary and primary sources were used to generate the variables under various dimensions, it can be inferred that the questionnaire is appropriate for the task at hand and passes the face validity test. The questionnaire passes the convergent and discriminant validity tests because the qualities have a strong correlation with related items (loading in excess of 0.5) and a low correlation with unrelated constructs (loading less than 0.4).

The success of CSR on three factors—organizational resources, internal support, and external support—is evaluated after the factor analysis. This strategy appeared appropriate because there isn't much of a correlation between these three factors. Regression analysis uses just PSUs in India, therefore all of their data is pooled. OLS is a useful estimation technique since the analysis involves cross-sectional data, and the multiple linear regression equation is described as

$$y_i = b_0 + b_1x_i + e_i.$$

Y_i denotes the dependent and X_i the independent variables and u_i the error term.

Results

The study only included public sector organizations having an established CSR department and an allotted budget for CSR. In their individual companies, around 70% of the respondents are personally in charge of a variety of current CSR programs. Each of the big businesses employed several thousand people. This investigation has received 58 percent of its responses. Table 3's "eigenvalues" column illustrates which organizational resources, as well as external and internal support, had eigenvalues greater than unity when subjected to principal component analysis with varimax rotation. The factor analysis result is acceptable since the

Bartlett's test of sphericity is at the 0.000 significant level and the Kaiser–Meyer–Olkin measure of sampling adequacy (KMO) is above 0.6 (0.63).

Discussions and Findings

The CSFs for implementing CSR in PSUs in India are the topic of this study. According to the study, an organization's capacity to (i) manage stakeholder groups, (ii) integrate CSR strategy with other functional strategies, (iii) assess the benefits of CSR, and (iv) seek top management support is positively correlated with successful CSR. The capacity to combine CSR with other useful tactics is most strongly correlated. The claim made by other researchers (Starik and Rands, 1995; Sharma and Vre-denbug, 1998; Buysse and Verbeke, 2003) that businesses are progressively integrating environmental management with other key processes and functions is further supported by this conclusion.

Conclusion

In summary, this research makes a significant contribution by offering managers a method to determine the CSFs for the effective implementation of CSR in Indian PSUs. Additionally, the report contains implications and insights for Indian managers looking to enhance corporate social performance.

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Conflicts of interest

There are no conflicts of interest.

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