

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/339711603>

A STUDY ON CORPORATE SOCIAL RESPONSIBILITY AWARENESS AMONG SMALL MEDIUM ENTERPRISE IN VIRUDHUNAGAR

Article in *The International journal of analytical and experimental modal analysis* · March 2020

CITATIONS

0

READS

34

2 authors, including:



[Balachandran Viswanathan](#)

Central University of Kerala

49 PUBLICATIONS 12 CITATIONS

SEE PROFILE

A STUDY ON CORPORATE SOCIAL RESPONSIBILITY AWARENESS AMONG SMALL MEDIUM ENTERPRISE IN VIRUDHUNAGAR.

Dr. V. Balachandran, Professor, Department of Management studies,
Central University of Kerela, Kasargod, Kerela

Ms. C.Revathi, Proprietor, Revathi Trader, SIDCO, Industrial Estate, Sullakarai,

Abstract

Nowadays India is becoming richest in making corporate social responsibility as its tradition. The present initiative of the government is palpably encouraging the small medium enterprise. A certain percentage of their annual budget has to be earmark by the public sector for the furtherance of Corporate Social Responsibility. In present business scenario we are conscious that corporate social responsibility activities have to be engaged demonstrably under a heavy pressure. Small medium enterprise is playing a vital role in triggering the country economic growth and development. The concept of corporate Social Responsibility is broad in nature. It is also applicable to any type and size of organization as such fro public to private or from small enterprise to medium enterprise or from manufacturing to service organization. Engaging in corporate social responsibility activity matters a lot to small business enterprise to a great extent. CSR is traditionally being the domain of corporate sector, while gratitude of growing significance of the small medium enterprise sector leads to an emphasizing social and environmental impact. The CSR activities will definitely increase the sustainability of Small Medium Enterprise in India. The most beneficial parts of SMEs through CSR activities are such as boosting innovation in SMEs, cost reduction, attaining world market space, and thus increases SMEs welfare and for its society.

Keywords: *Corporate social responsibility, Small medium enterprise, Economic growth*

1.1 Introduction

Corporate social responsibility is all about managing, reducing and avoiding risk and also it mainly creates opportunity, generating improved performance, making money and leaving the

risk far behind. The world organization like World bank, UND, OECD, European commission and MNCs are actively supporting the CSR Campaign. The organizations around the world are nowadays struggling with a new role, where in to meet the needs of present generation in such a way without compromising the ability of the next generation to meet their personnel organization needs. Nowadays even if a organization is producing a least achievement at local level have started thinking about CSR activities to build a strong corporate image in their own market.

The term SME is comparatively fresh origin in India. The small scale industries were officially created in 1950s. According to survey conducted by all India census 2004, the 80,000 units of SMEs have dramatically increased to about 10.52 million units. In topical years, away from economical growth, there is a greater urgency for inclusive growth in which SMEs are expected to play a critical role. Corporate Social responsibility gives a continuous commitment to the business people to behave ethically and to contribute much more for economic development.

Nowadays the corporate social responsibility has become a flourishing discourse at all economic and social platform so that the nexus between the society and business can be established and social responsibility of industry specially large organization houses can be established. The broader and multilayer elaboration of the concept of Corporate Social Responsibility in four inter related steps.

- Economic
- Legal
- Ethical and
- Philanthropic responsibilities.



In more recent studies it is found that the activities of CSR undergone by SME results in community in improvement, customer satisfaction, happy workers more number of employability, good sales and profits, employee motivation with increased loyalty and good will for community. Indeed greater part of SMEs is not able to craft out the strategic aspect of CSR, which is said to be the sustainability of business. In some organization Implementation and operationalization of CSR in Small Medium Industries is reliant upon straight and rigorous process. Several organizations in CSR take up +environmental, social and other activities that promote stakeholders well being. Activities associated with CSR are always dubious on the context of enhancement of the firm's social performance in relation to the additional expenses incurred.

1.2. Objectives

- To identify the Level of awareness among SMEs in CSR Activities.
- To analyze the SMEs perception towards CSR.
- To evaluate the involvement level of employee and management in CSR activities.
- To measure the impact of CSR activities

1.3. Statement of the Problem

The Practice of CSR in Small Medium Industries are different when compared to large companies due to SME peculiarities such as owner management, brawny bond with business partners and the local community and lack of resources and support to implement CSR. Numerous researchers have CSR as a theme and CSR has been adopted in large companies while comparatively less in SMEs. Small Medium Enterprise has been received little attention on CSR despite of its significant impact on society, environment and economy. So it is imperative to find solution for engagement of SME in CSR. To do so acquaintance about SMEs- specific barrier and opportunities to CSR is required.

1.4. Research Methodology

➤ Hypotheses

H₀: There is no significant difference the ranks provided respondents towards the persons responsible for a successful CSR activity.

H₀: There is no significant difference between the sectoral impact of CSR activity on the certain values of the company.

➤ Sources of Data

The study has depended on primary sources of data.

✓ Questionnaire

Primary data were collected by administering a well conceived questionnaire to the sample managers.

➤ Statistical Tools

Relevant statistical tools such as mean Percentage analysis, FRIED MAN TEST, ANOVA were used for the analysis and interpretation of survey data.

✓ **Sampling Design**

- (a) Sampling frame : 350 SMEs
- (b) Sampling size : 145 SMEs
- (c) Sample method : Simple random sampling

➤ **RESEARCH DESIGN**

The research design adopted in the present study is a “Descriptive Design” of conclusive one.

1.5. REVIEW OF LITERATURE

Monser and Martin (2012) , conducted a survey that while the overall impact of CSR activities might be profitable but some individual CSR projects or activities might not have positive impact on the profits of the company.

Moon (2011), the researcher documented that in case of India, CSR activities are assumed to be performed by large companies. The SME provide more employment opportunities to the unemployment peoples in country.

Mayr (2015) conducted a case study on Austrian construction company which was the well known example of social activities in Austria and its owner symbolized the idea of responsible entrepreneur.

Shah and Baskar (2010) conducted a case study on BPCL in which they extensively discussed the importance of fulfilling social responsibilities by an organization being a part of the society.

Zsolnai, (2006) A number of factor are driving the increased adoption of CSR practices in the corporate India. Regulation obviously provides the baseline for corporate action, notably for employment practices and the environment. Beyond this for many companies being a good corporate citizen is a vital aspect of their identity, values, and vision. No longer a legal

necessity and a nice thing to do , CSR is emerging as a hard commercial factor, linked directly to profits and brand value.

1.6. DATA ANALYSIS & INTERPRATATON

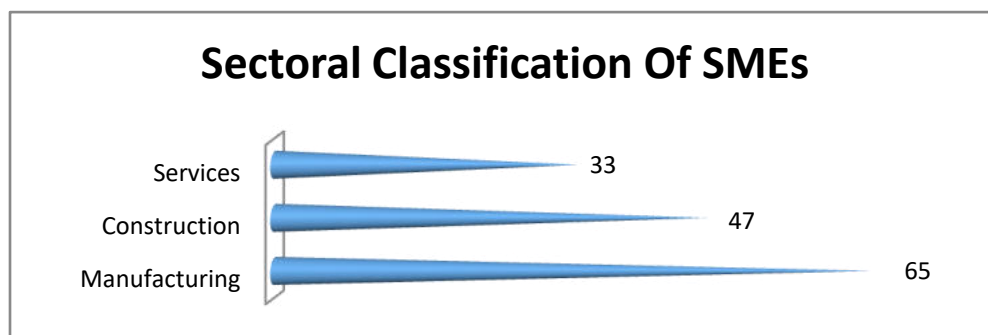
Analysis of data is the process by which data are converted into useful information. Raw data are collected from questionnaires, are processed to draw conclusion. The analysis of survey data relating to demographic characteristics of the respondents is given in the following pages.

➤ Sectoral Classification of SMEs

Table.1.1. Sectoral Classification of SMEs

S.No	DESCRIPTION	FREQUENCY	PERCENTAGE
1	Manufacturing	65	45
2	Construction	47	32
3	Services	33	23
	Total	145	100

Source: Primary data



From Above computed results it is found that the majority of 45% of the SMEs are manufacturing industries. 32% of the SMEs are construction sector. And remaining 23% are services sector.

1.7. CSR AWARENESS

One of the main objectives of the study was to explore the awareness levels of CSR among SMEs. Table 1.2 presents the same.

Table. 1.2. CSR AWARENESS

S.No.	Description	Frequency	Percentage
1.	Heard about CSR and understood clearly	95	66%
2.	Heard about CSR but don't understand	38	26%
3.	Never heard about CSR	12	8%
	Total	145	100%

Source: Primary data

Table shows the general awareness levels of SMEs about the Corporate Social Responsibility. 66% of the respondents understood the concept of CSR adequately, 26% had only heard about the terminology but had inadequate understanding and 8% had no knowledge. Hence the majority of the SMEs are aware of the CSR context.

1.8. Responsibility towards CSR

➤ Results of Fried Man Test

H_0 : There is no significant difference the ranks provided respondents towards the persons responsible for a successful CSR activity.

The Friedman's test is a non-parametric statistical test developed by the U.S. economist Milton Friedman. Similar to the parametric repeated measures ANOVA, it is used to detect differences in treatments across multiple test attempts. Similar to the parametric repeated measures ANOVA, it is used to detect differences in treatments across multiple test attempts. The procedure involves ranking each row (or *block*) together, then considering the values of ranks by columns.

H_0 : There is no significant difference the ranks provided respondents towards the persons responsible for a successful CSR activity.

In the present study, respondents were asked to rank the five persons who are responsible for the CSR in SMEs.

Table. 1.3. Ranks

	Mean Rank
CHAIRMAN OF THE COMPANY	3.69
BOARD OF DIRECTORS	4.60
AUDITORS	2.38
EMPLOYEES	4.53
SEBI	2.20

Source: Primary data

From the above Table, it is clear that, mean rank for the SEBI is very low (2.20) and mean rank of Board Of Directors is very high (4.60). Hence, Board of Directors is mainly responsible for the CSR activity as considered by respondents, followed by employees in second rank, Chairman of the company, Auditors with fourth rank, SEBI in fifth rank.

➤ **Test Statistics^a**

Table.1.4. Test Statistics^a

N	145
Chi-Square	126.664
Df	4
Asymp. Sig.	.000

As the computed p value (.000) is less than the assumed significance value of 0.05, the above null hypothesis is rejected. Hence, there is significant difference in the ranks provided respondents towards the persons responsible for a successful CSR activity like Chairman of the Company, Board of Directors, Employees, Auditors, SEBI.

➤ **Impact of CSR**

Here, ANOVA is used to test the significance of the impact of CSR activity on the certain values of the company like Business benefits, personal values, Institutional factors and Stakeholder driven. The null hypothesis framed and tested as given below.

H₀ : There is no significant difference between the sectoral impact of CSR activity on the certain values of the company.

Table.1.5. ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Business Benefits	Between Groups	10.273	2	5.137	2.608	.017
	Within Groups	279.699	142	1.970		
	Total	289.972	144			
Personal values	Between Groups	1.719	2	.859	.564	.570
	Within Groups	216.240	142	1.523		
	Total	217.959	144			
Institutional factors	Between Groups	2.552	2	1.276	.667	.515
	Within Groups	271.421	142	1.911		
	Total	273.972	144			
Stake holder driven	Between Groups	5.493	2	2.747	1.612	.203
	Within Groups	241.955	142	1.704		
	Total	247.448	144			

The results of ANOVA report that, as the p (0.017) values of variable Business Benefits is less than 0.05, the null hypothesis is rejected. Thus there is significant difference between the sectoral impacts of CSR activity on company's Business Benefits.

As the p values for the others variables like Personal values, Institutional factors and Stake holder driven are greater than the 0.05, the null hypothesis is accepted. Thus, there is no significant difference between the sectoral impacts of CSR activity on the certain values of the company.

1.9. Suggestion

The present study gives an insight into the very practical approach to CSR activities in SMEs and thus makes a valuable contribution to the development of organization. In particular the present research reveals that CSR management at SMEs is not a particular discipline but varies based on company culture and on the mindset of the Chairman of the organization or Owner of the organization. The main suggestion from the study is worth mentoring that these SMEs are Expecting Government to acknowledge the activities made by the organization for the upliftment of the society.

1.10. Conclusion

The society expects business to go beyond their traditional goal for a profit maximization and undertake corporate social responsibility for a sustainable environment and socio economic growth of the country. As large corporate do, the SMEs must also be responsible in practicing

CSR which results in sustainability in competitive business environment. The current research has observed SMEs think about CSR from a narrow perspective. Major of them either relate CSR for helping the under poverty line people and needy who give them internal satisfaction and they do it out of humanitarian ground. Therefore, SMEs management can expand the perspective of the CSR and reinforce company's awareness of resources and competencies

References

- ✓ Chaudhri .V and J.Wing (2007),” Communication Corporate Social Responsibility on the Internet: A Case study of top 100 IT companies in India. “Management Communications Quarterly, 21, 232-247.
- ✓ Moon.U,(2011), “Corporate Social Responsibility in India, National Conference on Corporate Social Responsibility Issues and Challenges. “Marathas Mandir’s Babasahed Gawde Institute of management studies retrieved on dated 20 August, 2012
- ✓ Monster.V Donald and Martin, R.Patrick, (2012), A Broader perspective on Corporate Social Responsibility research in Accounting, The Accounting review, 87(3), 797—806.
- ✓ Shah, Shahank and Sudhir Bhaskar, (2010), “Corporate Social Responsibility in an Indian Public Sector Organization: A Case study of Bharath Petroleum Corporation Ltd., Journal Of Human Values , 16(2), 143-156