Empirical Study of the Components of CSR Practices in India: A Comparison of Private, Multinational and Public Sector Companies

Madhu Bala

Research Scholar
Department of Commerce
Kurukshetra University
Kurukshetra - Haryana (India)

Dr. Narender Singh

Professor and Chairman
Department of Commerce
Kurukshetra University
Kurukshetra, India

Abstract

Purpose: - To identify the CSR practices, analyze their underlie components and study them for similarities/differences across Private Indian Companies (PC), Multinational Companies (MNC) and Public Sector Companies (PSCS).

Design/methodology/approach: - The study is based on primary data constituting a sample of 145 companies including 65 Private Indian Companies (PICs), 51 Multinational Companies (MNCs) and 29 Public Sector Companies (PSCs) working in India in various sectors. The data thus generated was analyzed with the help of factor analysis.

Findings: - The study finds that there is no major difference in components of CSR practices of PICs, MNCs and PSCs. The identified CSR factors emerged from PICs are Employee Welfare, Environmental and Natural Resources Protection, Community Development and Community Affairs. The identified CSR factors emerged from MNCs are Community Welfare, Employee Development & Safety, Environmental and Natural Resources Protection, Working under law and compliance, Employment Generation and Community Supportand that of PSCs are Employee Welfare and Social Support, Sustainable Development, Community Development and Heath & Scholarship Program. The difference lies only in priority/preference to follow CSR practices.

Research/limitations/implications: - It is a starting-point for further research in Corporate Social Responsibility Initiatives. The paper is of value to the researcher and practitioners of corporate social responsibility. The study would help others companies who yet to start CSR and to actualize their CSR interventions.

Keywords:

Corporate Social Responsibility, CSR, CSR Trends, CSR Practices, Community Welfare, Sustainability

Introduction

The term "CSR" has varied meanings. To some it conveys the idea of legal responsibilities and liability; to others it means socially responsible behaviour in an ethical sense, to still others, the meaning transmitted is that of 'responsible for', in the causal mode; many simply equate it with charitable contribution (Votaw 1973).

In India, CSR is not a new phenomenon. It is essentially an ethical concept revolving around the governments as well as private organizations (Sharma and Talwar, 2005). This actually motivates organizations to think broadly

about their obligations towards the society in which they operate rather than just maximizing shareholders' value or profits.

During the long and distinguished history of the businesses or corporates in India and other parts of the world, business leaders have been trying to make a positive impact on the society, communities around them and the world, in some way or the other. Carroll (1979) argued that the social responsibility of the business encompasses the economic, legal, ethical, and discretionary expectations of the society at a given point in time. This role of discussion is also considered 'self-regulation' of the business, where it is decided that up to what extent companies can engage themselves in CSR issues (Chahoud et al., 2007).

Today, CSR in India has gone beyond merely charity and donations, and is approached in amore organized fashion. The Indian Government has approved the new Companies Bill (2013), which mandates that companies of a certain size spend on CSR activities 2% of the average net profit of the company made during the three immediately preceding financial years in every financial year; is a landmark one as it makes India among the first nations to have social welfare spending as part of company statute by law. This will make Indian companies to consciously work towards CSR. In order to maximise the impact of their CSR, Indian corporate houses need to develop such CSR strategies that create large-scale social and economic impact.

CSR practices could range from overall development of a community to supporting specific causes like education, environment, healthcare etc. There are some areas ofhumangovernanceincontemporaryworldwhichhavealreadyattai nedmindboggling dimensions. Among these are: growing pressure of population, growing complexities of theman-nature equations and growing human greed and selfishness. It may be useful for every healthy and able corporate to explore what it can contribute to building knowledge, awareness and sensitivity of people of the global scenario around them.

In order to ensure organised and successful CSR initiatives, companies will have to identify CSR areas so that companies can incorporate it in their business strategy. Aiming to this, it will be good attempt to provide empirical evidence to companies for potential CSR practices, which has been attempted in this paper.

Review Of Literature

A number of research papers and articles provide a detailed insight about the CSR Practices and trends of companies in different countries of various sectors/industry. The findings from the literature are presented below:-

Thompson J.K &Hood J.N. (1993) explored the differences in corporate social performance behaviour between minority and non minority owned small businesses. In examining the social programs and policies, this study found no significant differences between minority owned small businesses and non minority owned other than for health and disability insurance programs. This difference was explained due to significant differences in size of the two distinct types of organizations. Larger and older firms would be expected to be more likely to provide health and disability insurance fortheir employees thans maller, newer organizations.

Gulshan (1995) found that social responsibility is the awareness of

MNC's management. A socially responsible MNC acts in a way that not only will advance the corporation but also will serve society. Managers of MNC's must recognize that their decisions have socially responsible implications. It was suggested to the MNC's to ensure that codes of ethics are 'living documents' and not just statements handed out to the employees to file. In fact the society in the host country is very demanding these days and would not allow MNC's without a code of ethics.

Bhatia (2001) highlighted the responsibility of corporate towards better environment. The role of corporate is not confined to production of goods and service alone. Beyond that the business enterprises have several social responsibilities, the most important one being not to do anything that would result in environment degradation. Thus areas such as waste management, pollution prevention were suggested.

Snider et al. (2003) conducted a study to examine the content of what firms are communicating to various stakeholders about their commitment to socially responsible behavior. To address this query, legal, ethical, and moral statements available on the website of Forbes Magazine's top 50 US and top 50 multinational firms of non-US firms were analyzed with the content of stakeholder theory. It was found that both sets of organizations concentrate their attention on a similar set of stakeholders and approximately the same CSR issues.

Singh (2005) examined the level of disclosure of voluntary environmental information by the companies in the rapidly developing economy of India. The annual reports of 200 companies were examined and found that waste management; environmental research and development; clean technology; emission to air; water and land; and compliance with the environmental laws were the most frequently reported,whereas penalties under the environment laws, proceeding under the environmental laws, and the environmental contingent liabilities were the least reported disclosure variables. It was further found that the company wise status of voluntary environmental disclosure is very discouraging. It was found quite better in high polluting industries than in the low polluting industries.

Prout (2006) developed the self-interested, business rationale for the export of socially responsible business behaviour by multinational firms to developing economics. It was argued that corporation typically have a self-interested approach to adopting CSR values' either for marketing purpose, or to sustain acceptance among socially conscious investors, consumers and competitors. The same approach should be adopted in the developing world, because consumers and investors transfer these same expectations globally, business in developing countries want acceptance and multinationals can test performance-based rather than regulatory-based approaches to CSR behaviors.

Gupta (2007) explored the trend of social responsibility of the corporate sector in India. It was observe that to meet economic, legal and ethical responsibilities, business are also expected to display a genuine concern for the general welfare of all constituencies. Society desires a cleaner environment, the preservation of wildlife as their habitats, as well as living wages for employees, but it also demands low-priced products. Companies must balance the costs of these discretionary against the costs of manufacturing and marketing their products in a responsible manner. It was concluded that vision of sacro-civic society is a

realistic vision and could be achieved through a new corporate model rooted in three fillers of profits, CSR, and good governance.

Amran and Siti-Nabiha (2009) attempted to explain the local CSR trend by interviewing senior managers from selected companies. It was found that despite low level of awareness of CSR, there is an increasing trend of reporters. A popular reason given by the respondents to explain this paradox was the need to follow the reporting trend echoed the fining of an earlier study by MohmadZain. By following the reporting trend, the companies expect to be accepted as one of the international players. This mimetic action taken by some of the companies reflected the pressure of globalisation where social environmental issues have taken centre stage.

Plaken et al. (2010) investigated CSR platforms and the communication surroundings those platforms in India. Corporations pursue a primarily philanthropic platform with a focus on community development projects. However, it was also indicated that Indian consumers may not value philanthropic CSR as highly as other CSR initiatives and that this may in turn influence their attitude to different marketing communication strategies

Patnaree Srisuphaolarn, (2013) investigated the CSR Practices in Thailand corporations to scrutinize the mechanisms that drove the direction of CSR activities to their current forms. The study revealed two key findings. One is the pattern of CSR development in Thailand that emphasizes social and environmental issues, which are less relevant to the business' core activities. The other is that Thai social and religious values are important antecedents of CSR strategy and implementation.

Sophie Hadfield-Hill, (2014), explored CSR within the Indian context, focusing on the banking sector. The study revealed four levels of CSR engagement which currently exist in the day-to-day operations of Indian companies. Of significance to debates on CSR trends and strategies, it was suggested that western CSR initiatives are influencing executives in India; ultimately causing a reactive response of an ad-hoc nature.

Till recently, there were no laws that governed CSR activities in India, but now the Companies Act, 2013 has made compliance of CSR provisions mandatory for all such companies registered under the Companies Act.The ministry of corporate affairs (MCA) has notified Section 135 and Schedule VII of the Companies Act, 2013, which relate to CSR that will be effective from April 1, as part of the new Companies Act. The norms will apply to companies with at least Rs 5 crore net profit or Rs 1,000 crore turnover or Rs500crore net worth. These companies will have to spend 2 % of their three-year average annual net profit on CSR activities in each financial year starting from financial year 2015. The rules have

been finalised after extensive consultations with all stakeholders and provide for the manner in which CSR committee shall formulate and monitor the CSR policy, manner of undertaking CSR activities, role of the board of directors therein and format of disclosure of such activities in the board's report.

Problem Statement

The CSR dialogue has in last few years taken a new turn because of various regulatory requirements such as Business Responsibility Reporting arising out of the National Voluntary Guidelines for Social and Environmental Responsibility and CSR provisions under the Companies Bill. This has started a new conversation within the corporate sectors on the appropriate paradigm for CSR. Basically,corporatesocialresponsibilityishowcompaniesmanaget heirbusiness processes to produce an overall positive impact on society. However, what constitutes corporate social responsibility varies from company to company, place to place and over the time, as there have been conflicting expectations of the nature of companies' responsibility to society.

It is increasingly accepted that in order to define precisely what social responsibility means to a company, it needs to engage with its stakeholders and take into account their needs and aspirations when designing CSR strategies and programmes. The companies may internally adopt employee welfare activities; but when it comes to external stakeholders they may adopt community & society welfare, environmental protection etc. The choice of selection of CSR activities should be strategically being inclusion of company policies.

There is literature evidence that CSR is being practiced in various ways. While most of these claims are theoretical and use deductive mode of reasoning, very few of them provide empirical evidence to provide potential components of CSR practices. Further, there is a lack of studies which analyse important social programmes in shaping CSR practices for their organization. So, it is necessary to seek further empirical evidence to justify the various components of CSR practices, areas of CSR initiatives and **differences / uniqueness** in CSR practices taken by the various organizations in India. Aiming at this, a need was felt to study the components of CSR practices of companies in India. Further to distinguish the study for better choice of potential CSR practices to a particular group of companies, it was felt to compare the CSR practices of Private Indian Companies, Multinational Companies and Public Sector Companies. The specifications & labels of these groups of companies are described in Table-1.

No such literatures have come across during review by there searchers which show case empirical comparison of Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs) on the components of CSR practices.

Table - I	Groups of Companies selected for Study		
Sr. No.	Group of Companies	Label	Specification
i	Private Indian Companies	PICs	A company owned either by non-government organization or by a relatively small number of shareholders or company members and which owns and controls production and services facilities in India only
ii	Multinational Companies	MNCs	A company which owns and controls production and services facilities in more than one country
iii	Public Sector Undertaking Companies	PSCs	A government-owned corporation in India, in which, majority (51% or more) of the paid up share capital is held by central government or by any state government or partly by the central governments and partly by one or more state governments.

Research Objectives

The present study is focusing on analysing the CSR practices among Private IndianCompanies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs) with following objectives :-

    i.   To identify areas of the CSR practices among these companies.

    ii.   To analyze the major components of CSR practices among these companies.

    iii.   To analyze significant differences/uniqueness in practicing CSR among these companies.

Rsearch Methodology

Priest et al. (1995) and Bowling (1997) suggested that to assure content validity, items can be generated from a number of sources including consultation with experts in the field, proposed respondents and review of associated literature. Following Turkey's (2009) methodological proposal, based on a standard scale development process, a scale consisting of pool of 38items is designed. For the content validity to be established, we combine the following methodologies: -

- First a detailed review of CSR literature is carried out to identify CSR practices as reliable items previously conceptualized and tested by scholars. After the review, 38 items are retained for further analysis.

- The scale was pilot tested among 35 companies to assure that

  - Its purpose was correctly understood.

  - The items were not controversial or difficult to answer by respondents.

  - Test for duplicate questions, for example if two questions are measuring virtually the same thing, one should be deleted.

- The items with a poor Cronbach's alpha, i.e. <0.7 (Kline 1993) were deleted. The item analysis is carried out for the deletion of poorly constructed items.After deletion of poorly constructed items, the final questionnaire consists of 22 items.

Attempts were made to check and reframe the items to ensure the relevancy and uniquenessof items. The final 22 items are assigned codes A1, A2, A3….A22 for the ease of analysis (See Table-II).

Table - II	Questionnaire Items
CSR Practices	**Code**
Empowerment of women	A1
Sponsoring cultural and social events	A2
Supporting health awareness	A3
Helping victims of natural disasters	A4
Incorporating social infrastructure	A5
Preserving natural resources	A6
Controlling Pollution	A7
Supporting Cleanliness	A8
Promoting environment friendly technologies	A9
Working and Promoting for welfare of underprivileged persons	A10
Providing vocational training	A11
Practicing quality control measures	A12
Providing fair wages	A13
Being in compliance with labour laws	A14
Conducting ethical business practices	A15
Conducting consumer awareness campaigns	A16
Promoting computer education	A17
Providing employment opportunities for disabled persons	A18
Providing scholarships for students	A19
Providing education, training and career opportunities to employees	A20
Supporting employee health and safety at workplace	A21
Providing employee benefits	A22

The website **http://www.fundoodata.com** is visited to get list of India's top 500 companies.Because the responses are to be taken only form those companies who are practicing CSR in their companies therefore the websites of India's top 500 companies have been visited to identify that whether they are following CSR practices or not. Thequestionnaire was sent on email to each such company. The difficulty was felt to get the concern CSR person on details given on websites; soin this regard help is taken from social network LinkedInto get contacts of CSR concern person.The best efforts are made to collect the data including phone calls to concerned people dealing with CSR operations. This has enhanced the response rate. Finally the responses from 145 companies (65 Private Indian companies, 51 from Multinational companies and 29 from Public Sector Undertaking companies)were received from the following sectors :-

    i.   Automobile

    ii.   Chemical

    iii.   Construction

    iv.   Electronics

    v.   Pharmaceutical

    vi.   Heavy Manufacturing Industries

    vii.   Iron & Steel

    viii.   IT

ix. Mining

x. Oil & Gas

xi. Pulp & Paper

xii. Power Generation

xiii. Textile

Each statement in the questionnaire is judged on 5-point Likert scale. The respondents have to rate each statement with their view as "fully involved", "mostly involved", "neutral", "less involved", and "not involved". The score of 5 for "fully involved", 4 for "mostly involved", 3 for "neutral", 2 for "less involved", and 1 for "not involved" was awarded. SPSS 20 was used to perform statistical analysis of the data collected from the survey forms. The statistical techniques used were descriptive statistics, reliability analysis, test for normality, non-parametric technique using the

Kruskal‑Wallis test and factor analysis.

Analysis And Results

Descriptive Analysis

Reliability: The result of the reliability of questionnaire is given in Table-III. There liability analysis result for the questionnaire showed that the Cronbach's Alpha is 0.934 for 22 items. Mohdetal. (2001)statedthatthereliability coefficient more than 0.6 is always used. Kroz et al. (2008) stated the Cronbach's Alpha value for questionnaire should be between 0.65 until 0.75.Cronbach's Alpha value close to 1.00 is very good which shows good internal consistency of data matrix. In this study, the reliability analysis result showed that value of Cronbach's Alpha is 0.934; therefore, there is internal consistency of the scale used in this study having high reliability value.

Table - III	Test of Reliability
Cronbach's Alpha	N of Items
.934	22

Homogeneity of variances: To test the Homogeneity of variances Levene's test was applied.The significance value exceeds .05 for most of the variable, suggesting that the variances for the three groups of companies are equal for most of the variables.

Normality: There after the data is subjected to test for normality using the Kolmogorov‑Smirvnos & Shapiro-Wilk. When the significant p‑value for the variable is bigger than 0.05(p>0.05), then the data is normal (Coakes J.C et all, 2011). So from the results it was found that data did not fulfill the normality assumption hence the data is non-normal.

Thenon‑parametric test using the Kruskal‑WallisTest had been

performed because the data did not fulfill the normality assumption.The non‑parametric test using the Kruskal‑WallisTest was performed to test the mean difference on CSR activities of companies under study. The results of Kruskal‑Wallis Test are given in Table-IV. Table-IVshows the results of the non‑parametric test using the Kruskal‑Wallis Test for CSR activities. The results showed that there was no significant mean difference among CSR Activities (p>0.05).This indicates that PICs, MNCs and PSCs are involved in all 22 CSR activities to the same level and with equal dedication.

Table-IV	Descriptive statistics of CSR activities (Results of Kruskal Wallis Test) (Total Companies, N = 145)						
CSR Activities		Chi-Square	df	Asymp. Sig. (p)	Mean Rank		
					PICs (N=65)	MNCs (N=51)	PSUs (N=29)
(A1) Empowerment of women		0.497	2	0.78	74.45	73.78	68.36
(A2) Sponsoring cultural and social events		0.19	2	0.909	72.36	72.13	75.97
(A3) Supporting health awareness		3.949	2	0.139	65.76	77.96	80.50
(A4) Helping victims of natural disasters		2.467	2	0.291	67.15	77.44	78.31
(A5) Incorporating social infrastructure		4.454	2	0.108	67.50	72.27	86.60
(A6) Preserving natural resources		1.873	2	0.392	72.01	78.30	65.90
(A7) Controlling Pollution		0.524	2	0.769	70.79	76.10	72.50
(A8) Supporting Cleanliness		1.828	2	0.401	68.25	75.53	79.21
(A9) Promoting environment friendly technologies		1.176	2	0.555	71.08	71.42	80.09
(A10) Working and Promoting for welfare of underprivileged persons		1.223	2	0.542	68.97	75.43	77.76
(A11) Providing vocational training		2.891	2	0.236	66.90	76.71	80.16
(A12) Practicing quality control measures		4.253	2	0.119	68.44	82.27	66.91
(A13) Providing fair wages		2.134	2	0.344	70.29	79.38	67.84
(A14) Being in compliance with labour laws		0.154	2	0.926	71.89	73.20	75.14
(A15) Conducting ethical business practices		1.324	2	0.516	72.30	77.11	67.34

(A16) Conducting consumer awareness campaigns	2.326	2	0.313	67.47	78.75	75.28
(A17) Promoting computer education	0.098	2	0.952	71.98	74.31	72.98
(A18) Providing employment opportunities for disabled persons	4.56	2	0.102	65.31	77.25	82.78
(A19) Providing scholarships for students	1.912	2	0.384	67.81	76.93	77.72
(A20) Providing education, training and career opportunities to employees	3.684	2	0.158	66.51	80.25	74.79
(A21) Supporting employee health and safety at workplace	1.05	2	0.592	72.46	76.66	67.78
(A22) Providing employee benefits.	0.46	2	0.795	70.98	73.56	76.55

Factor Analysis

Chua (2009) suggested that factor analysis is the procedure which always been used by the researchers to organize, identify and minimize big items from the question naireto certain constructs under one dependent variable in a research. A factor analysis using Principal component method was applied in order to find the dimensions, not directly observable, that may explain what are the areas and components of CSR practices in companies under study. In this sense the factor analysis aims to analyse the possible correlations between items that constitute the index study of social responsibility in order to determine the factors that explain these correlations, i.e. the factors not directly observable and that will in fluence components of CSR practices of companies.

Factorability: Prior to factor analysis, the 22 items measuring CSR Practices were analyzed for factor ability. Bartlett's test of sphericity and the Kaiser-Meyer-Olk in measure of sampl in gad equacy are both tests that are used to determine the factor ability of the matrix as a whole. The results are given in Table-V. The results value of Bartlett's test of spheri city is significant ($p<0.001$,our result is p=0.000).In addition, the Kaiser-Meyer-Olkin measure is greater than 0.6. It is suggested that if the Bartlett's test of spheri city is ignificant, and if the Kaiser-Meyer-Olkin measure is greater than 0.6, then factor ability is assumed (Coakes J.C et all, 2011).

Table - V	Results of KMO and Bartlett's Test			
Statistics of Test		**PICs**	**MNCs**	**PSCs**
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.777	.723	.728
Bartlett's Test of Sphericity	Approx. Chi-Square	985.642	810.908	690.518
	df	231	231	231
	Sig. (p-Value)	.000	.000	.000

Thus it is appropriate to proceed with Factor Analysis to examine factors that are affecting CSR practices among companies under the present study. The items with factor loading 0.490 are retained because Tabachnick et all (2001) stated that variable with factor loadings more than 0.45 is considered average, whereas loadings 0.32 is considered less good.

Private Indian Companies (PICs)

Factor analysis using principal component method on data of Private Indian Companies (PICs) resulted into extraction of four factors that can explain components of CSR practices of these companies. A total variance of 66.473is accounted for these four factors. (Table-VI)

Table - VI	Eigen values with cumulative percentage of variance (Private Indian companies - PICs)		
Component	Rotation Sums of Squared Loadings		
	Eigenvalue	% of Variance	Cumulative % of Variance
1	5.540	25.184	25.184
2	3.265	14.841	40.025
3	3.157	14.351	54.376
4	2.661	12.097	66.473

After retaining the factors having significant factor loading 0.490, the details of four factors with underlying dimensions are given in Table-VII. Factors names are judgmentally assigned to give appropriate meaning of all underlying dimensions.All the four factors represent components of CSR practices of PICs and are explained below:-

Factor F1: Employee Welfare

This factor contains 9 dimensions (A1, A12, A13, A14, A15, A16, A20, A21, A22) and explains 25.184% of the variance. Each dimension indicates the interests of PICs in favor of employee's welfare. This shows that PICs are more concern about satisfaction of their employee. CSR activities like "being in compliance with labour laws" and "conducting ethical business practices" are the most prioritized activities that PICs prefer to follow due to high factor loading. PICs are working for "empowerment of women". The CSR practice of "practicing quality control measures" is being followed to produce a good quality and safe products of company.

Factor F2: Environmental and Natural Resources Protection

This factor contains 5 dimensions (A5, A6, A7, A8, A9) and explains 14.841% of the variance. Each dimension shows interests and efforts of PICs to protect the environment and preserving the natural resources for futures. Incorporating practices like good social infrastructure provides a developed society. Preserving natural resources and promoting environment friendly technologiesare positive steps towards saving the resources for future generations. Controlling pollution and supporting cleanliness will lead to clean environment and hence good health of human beings. Thus PICs are highly involved in protection of environmental and preserving natural resources.

Factor F3: Community Development

This factor contains 5 dimensions (A10, A11, A17, A18, A19) and explains 14.351% of the variance. Each dimension represents development activities of PICs for development of community. The CSR practice of "working and promoting for welfare of underprivileged persons" is a good step towards betterment of the

weaker section of the society. The CSR activities of PICs like "providing vocational training", "promoting computer education" and "providing scholarships for students" support needy people of the society. Providing employment opportunities for disabled persons is a good step towards upliftment of this section of society. This step sets up an example and boosts up the morale of other disabled section of community to become self dependent. Overall PICs are very much concern in community development.

Factor F4: Community Affairs

This factor contains 3 dimensions (A2, A3, A4) and explains 12.097% of the variance. The structure of dimensions of this factor confirms involvement of PICs in community affairs. CSR practice of "sponsoring cultural and social events" like sports, dramas, fairs, arts programs etc. makes the companies closer to local community. Supporting health awareness program and helping victims of natural calamities creates a good image of companies in market. Thus PICs have taken all good steps to become associated with local community by involvement in community affairs.

Table - VII	Details of Extracted Factors after retaining significant loading (Private Indian Companies - PICs)			
Factor	**Dimensions / Items**	**Retaining Significant Loading**	**Assigning Name of Factor**	**% of Variance in the items explained by factor**
Factor -1	(A1) Empowerment of women	0.492	Employee Welfare	25.184
	(A12) Practicing quality control measures	0.615		
	(A13) Providing fair wages	0.765		
	(A14) Being in compliance with labour laws	0.817		
	(A15) Conducting ethical business practices	0.813		
	(A16) Conducting consumer awareness campaigns	0.655		
	(A20) Providing education, training and career opportunities to employees	0.771		
	(A21) Supporting employee health and safety at workplace	0.760		
	(A22) Providing employee benefits.	0.792		
Factor -2	(A5) Incorporating social infrastructure	0.520	Environmental and Natural Resources Protection	14.841
	(A6) Preserving natural resources	0.740		
	(A7) Controlling Pollution	0.817		
	(A8) Supporting Cleanliness	0.759		
	(A9) Promoting environment friendly technologies	0.715		
Factor - 3	(A10) Working and Promoting for welfare of underprivileged persons	0.780	Community Development	14.351
	(A11) Providing vocational training	0.724		
	(A17) Promoting computer education	0.645		
	(A18) Providing employment opportunities for disabled persons	0.557		
	(A19) Providing scholarships for students	0.638		
Factor - 4	(A2) Sponsoring cultural and social events	0.788	Community Affairs	12.097
	(A3) Supporting health awareness	0.796		
	(A4) Helping victims of natural disasters	0.649		

Thus areas and components of CSR practices of PICsare Employee Welfare, Environmental and Natural Resources Protection, Community Development and Community Affairs.

Multinational Companies (MNC's)

The factor analysis extracted the 6 factors in case of MNC having eigenvalues more than 1. The total variance explained by these factors is 76.24 (Table-VIII).After retaining the factors having

significant factor loading 0.490, the details of six factors with underlying dimensions are given in Table-IX. Factors names are judgmentally assigned to give appropriate meaning of all underlying dimensions. All factors represent components of CSR practices of MNC's and are explained below:-

Factor F1: Community Welfare

This factor contains 6 dimensions (A1, A2, A3, A10, A11, A19)

and explains 16.404% of the variance. This factor shows that MNC's are more oriented in social welfare activities. This might be to improve the image and reputation of their companies in market. The CSR initiatives in the arts, culture and sport fields represent the opportunities to associate company brand to public appreciated events. The practices like "Supporting health awareness" and "Working and Promoting for welfare of underprivileged persons" have higher weightage which may indicate high importance to these areas.

Table-VIII	Eigen values with cumulative percentage of variance (Multinational Companies - MNCs)		
Component	Rotation Sums of Squared Loadings		
	Eigenvalue	% of Variance	Cumulative % of Variance
1	3.609	16.404	16.404
2	3.589	16.312	32.716
3	3.429	15.588	48.304
4	3.003	13.649	61.952
5	1.612	7.327	69.279
6	1.531	6.960	76.240

Factor F2: Employee Development & Safety

This factor contains 4 dimensions (A12, A20, A21, A22) and explains 16.312% of the variance. The dimensions indicate the initiatives of MNC's towards employee development and safety. The CSR practices of "Providing education, training and career opportunities to employees"is having higher factor loading which shows MNCs are more concerned about the overall development of employees. The CSR initiative "Providing employee benefits" is also having higher factor loading indicating that MNCs are also equally concern to provide the benefits to employees like free lunch, interest free loan, retirement benefits, flexible working hours etc. MNCs usually focus their special attention on all those investments &practicing measures that aimed at guaranteeing the product quality and safety.

Factor F3: Environmental and Natural Resources Protection

This factor contains 5 dimensions (A5, A6, A7, A8, A16) and explains 15.588% of the variance. The structure of this factor indicates that MNC's tend to practise CSR mostly with goals of sustainability, which is considered by far the most relevant CSR area. As a matter of fact, a lot of initiatives are undertaken in order to minimise environmental impact of the products and of the processes and to optimise the resources utilisation, so that companies can make a contribution to the achievement of the global sustainability goals. The CSR practices "preserving natural resources" and "controlling pollution" are having higher factor loading which represents the high focus on global warming by MNC's.

Factor F4: Working under law and Compliance

This factor contains 3 dimensions (A13, A14, A15) and explains 13.649% of the variance. All the three dimensions imply that MNC's are giving due importance towards working under law and compliance which is often needed to get the "license to operate" in a different country. The practice "being in compliance with labour laws" is having higher factor loading and thus seems to be more relevant to internal policies of organization in order to comply with regulations and in particular to obtain certifications.

Factor F5: Employment Generation

This factor contains 2 dimensions (A17, A18) and explains 7.327% of the variance. Both dimensions are focusing on generation of the employment. Promoting computer education will enable people to improve their capabilities to get the jobs. Thus MNC's are contributing on generation of employment and helping the society.

Factor F6: Community Support and Greenery

This factor contains 2 dimensions (A4, A9) and explains 6.960% of the variance. MNC's aresupporting the communities by helping victims of natural disasters. There are also putting their efforts in promoting and adopting environment friendly technologies.

Table - IX	Details of Extracted Factors after retaining significant loading (Multinational Companies - MNCs)			
Factor	Dimensions / Items	Retaining Significant Loading	Assigning Name of Factor	% of Variance in the items explained by factor
Factor -1	(A1) Empowerment of women	0.539	Community Welfare	16.404
	(A2) Sponsoring cultural and social events	0.659		
	(A3) Supporting health awareness	0.807		
	(A10) Working and Promoting for welfare of underprivileged persons	0.751		
	(A11) Providing vocational training	0.625		
	(A19) Providing scholarships for students	0.626		

Factor -2	(A12) Practicing quality control measures	0.573	Employee Development & Safety	16.312
	(A20) Providing education, training and career opportunities to employees	0.825		
	(A21) Supporting employee health and safety at workplace	0.725		
	(A22) Providing employee benefits.	0.812		
Factor -3	(A5) Incorporating social infrastructure	0.662	Environmental and Natural Resources Protection	15.588
	(A6) Preserving natural resources	0.754		
	(A7) Controlling Pollution	0.749		
	(A8) Supporting Cleanliness	0.719		
	(A16) Conducting consumer awareness campaigns	0.677		
Factor -4	(A13) Providing fair wages	0.704	Working under law and compliance	13.649
	(A14) Being in compliance with labour laws	0.893		
	(A15) Conducting ethical business practices	0.783		
Factor -5	(A17) Promoting computer education	0.870	Employment Generation	7.327
	(A18) Providing employment opportunities for disabled persons	0.582		
Factor -6	(A4) Helping victims of natural disasters	0.567	Community Support and Greenery	6.960
	(A9) Promoting environment friendly technologies	0.666		

Thus areas and components of CSR practices of MNC's are Community Welfare, Employee Development & Safety, Environmental and Natural Resources Protection, Working under law and compliance, Employment Generation and Community Support & Greenery.

Public Sector Companies (PSCs)

The factor analysis extracted the 4 factors in case of PSCs having eigenvalues more than 1. The total variance explained by these factors is 80.190 (Table-X). After retaining the factors having significant factor loading 0.490, the details of four factors with underlying dimensions are given in Table-XI. Factors names are judgmentally assigned to give appropriate meaning of all underlying dimensions. All factors represent components of CSR practices of PSCs companies and are explained as below:-

Factor F1: Employee Welfare and Social Support

This factor contains 8 dimensions (A4, A9, A10, A14, A18, A20, A21, A22) and explains 24.393% of the variance. Supporting employee health and safety at workplace, providing employee benefits and providing education, training and career opportunities to employees have higher factor loading and predicts that health, safety & education are major CSR issues of these companies.

Table - X	Eigen values with cumulative percentage of variance (Public Sector Undertakings Companies)		
	Rotation Sums of Squared Loadings		
Component	**Eigenvalue**	**% of Variance**	**Cumulative % of Variance**
1	5.366	24.393	24.393
2	5.094	23.154	47.546
3	4.470	20.319	67.865
4	2.711	12.324	80.190

PSCs are complying with rules and regulations set under labour laws. Thus PSCs have instituted the programs that support more stable lives of employees. PSCs promote and maintain the social wellbeing of citizens and communities by social support which is intended to prevent the social problems like natural disasters, less greenery, harmful emission to air/water/land, underprivileged sections, and unemployment for disabled. PSCs are promoting environment friendly technologies.

Table - XI	Details of Extracted Factors after retaining significant loading (Public Sector Companies - PSCs)			
Factor	**Dimensions / Items**	**Retaining Significant Loading**	**Assigning Name of Factor**	**% of Variance in the items explained by factor**
Factor -1	(A4) Helping victims of natural disasters	0.603	Employee Welfare and Social Support	24.393
	(A9) Promoting environment friendly technologies	0.535		
	(A10) Working and Promoting for welfare of underprivileged persons	0.689		
	(A14) Being in compliance with labour laws	0.596		
	(A18) Providing employment opportunities for disabled persons	0.626		
	(A20) Providing education, training and career opportunities to employees	0.817		
	(A21) Supporting employee health and safety at workplace	0.849		
	(A22) Providing employee benefits.	0.811		
Factor -2	(A2) Sponsoring cultural and social events	0.532	Sustainable Development	23.154
	(A5) Incorporating social infrastructure	0.671		
	(A6) Preserving natural resources	0.837		
	(A7) Controlling Pollution	0.636		
	(A15) Conducting ethical business practices	0.769		
	(A16) Conducting consumer awareness campaigns	0.594		
	(A17) Promoting computer education	0.871		
Factor -3	(A1) Empowerment of women	0.576	Community Development	20.319
	(A8) Supporting Cleanliness	0.754		
	(A11) Providing vocational training	0.659		
	(A12) Practicing quality control measures	0.745		
	(A13) Providing fair wages	0.736		
Factor - 4	(A3) Supporting health awareness	0.800	Heath & Scholarship Program	12.324
	(A19) Providing scholarships for students	0.889		

Factor F2: Sustainable Development

This factor contains 7 dimensions (A2, A5, A6, A7, A15, A16, A17) and explains 23.154% of the variance. PSCs companies have paid more attention on CSR initiatives like preserving natural resources, controlling pollution and incorporating social infrastructure. Thus these companies are promoting a clean society and minimizing or eliminating the negative effects of business on society. Further involvement in CSR practices like sponsoring cultural and social events, conducting consumer awareness campaigns and promoting computer education have formed the part of building goodwill and increasing their visibility in community. Moreover these companies are conscious about ethical business practices. Thus dimensions of this factor form basic structure of Sustainable development.

Factor F3: Community Development

This factor contains 5 dimensions (A1, A8, A11, A12, A13) and explains 20.319% of the variance. For community development, PSCs have focused on CSR practices like empowerment of women, supportingcleanliness, providing vocational training, providing fair wages and practicing quality control measures which form basis of community development. Thus PSCs are conscious about the community development.

Factor F4: Heath & Scholarship Program

This factor contains 2 dimensions (A3, A19) and explains 12.324% of the variance. PSCs companies are involved in supporting health awareness programs and scholarship for deserving students as a way to be associated with the local community.

Thus areas and components of CSR practices of PSCs are Employee Welfare and Social Support, Sustainable Development, Community Development and Heath & Scholarship Program.

Discussion and Conclusion

The purpose of this paper was to identify the CSR areas and to analyze the components of CSR practices and aimed at understanding if similarities and differences can be explained among Private Indian Companies (PICs), Multinational Companies (MNCs) and Public Sector Companies (PSCs). The factor analysis has clearly factorized &summarized the components of CSR practices of companies under this study. The components of CSR practices, which have been studied and explained,are given in fig 1.

The PICs have given more priority to employee satisfaction. This might be to retain the good talents with the companies. However it is at second place in case of MNCs. But MNCs has more thrust on development of the employees by enhancing their knowledge through training and thrust on working under legal compliance and legal standards. These findings are also supported by Samy et al. (2007) who observed most of MNCs has set labor laws as priority because these companies focus on providing the safe working environment and diverse workplace with equal opportunities. PSCs are actively involved in the employee welfare programs. PICs also focus their attention on all those investments & measures aimed at guaranteeing the product quality and safety.

All the companies are equally engaged in preserving natural

resources and pollution control. The commitment on "Environmental and Natural Resources Protection Issues" is higher than other social dimensions as far as PICs and MNCs are concerned. It is covered under the factor sustainable development in case of PSCs. However PSCs have given priority to "Environmental and Natural Resources Protection" along with other CSR initiatives. Cetindamar and Arikan's (2006) empirical study also identifies adoption of environmentally sound technologies than government regulation in MNCs.

Pani (1997) highlighted that with the growing education level and awareness among the people there was a growing acceptance of the plea that the business should be responsible towards the society. Consciousness of responsibility to the society is on increase and some business houses are taking appropriate actions in the right direction. The present study also highlights that PICs, MNCs and PSCs are working for community but the factor composition differs in each case although the target group is same. MNCs have given top priority to community welfare and support in comparison to PICs and PSCs, while PICs has given thrust on community development and affairs. Community development is common factor for PICs and PSCs. Where the brand & community association is a critical key success factor, community-oriented initiatives are often implemented to improve the image & reputation. Here PICs and MNCs have significant higher commitment on community-oriented initiatives than PSCs.
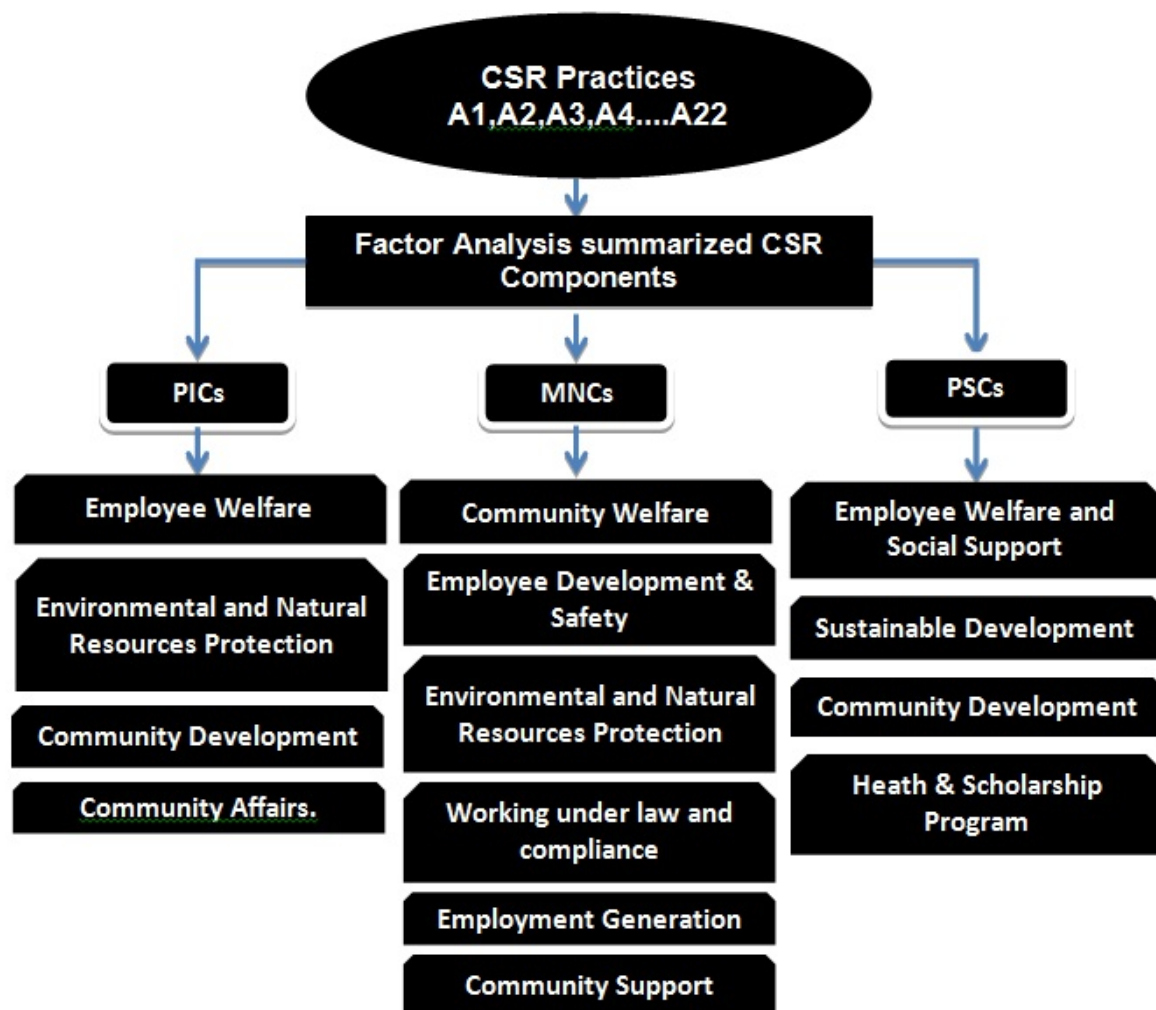

Fig 1: CSR Components

MNCs have shown a high spirit in working under compliance of legal responsibilities, industry standards and in generating the employment. On the other hand, PSCs have shown a high spirit in Heath & Scholarship Programs. The descriptive analysis also shows that the mean comparison of different companies (PICs, MNCs &PSCs) for involvement in CSR practices is not found statistically significant. Thus from the above discussion it is concluded that there is no significant differences in practicing the CSR Initiatives by PICs, MNCs and PSCs but the difference lies only in priority/preference to follow CSR practices.

Limitations

The present study gives an idea of components of CSR practices of PICs, MNCs and PSCs and any similarities/difference therein. The present study has included many sectors of industry so an industry specific research can be conducted to know the CSR involvement of corporates in particular industry/sector.Furtherresearchof

comparison of CSR practices of various companies across the countries/regions/continents of the world can also be conducted.

Suggestions

The present study would bring greater clarity and deeper insights on CSR practices in India to companies who have already embarked and to those who are planning to embark on CSR journey. The company must be having strong engagement with all stakeholders to formulate CSR strategy for their company. The present study provides a potential range of components of CSR activities, which companies may consider in formulation of CSR policy.

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