



# A Study on the Relationship between Corporate Social Responsibility and Organizational Performance among the Employees of Information Technology Sector in Chennai

K.Saravanan

Assistant Professor, Department of Business Administration, Annamalai University, Tamilnadu, India

**ABSTRACT:** The challenge of the current day's era is the corporate social responsibility which is the change required for every organization. The term refers to the activities which are undertaken by the organization for the betterment of the society which ultimately results in the betterment of the organization. In this regard, the present research has examined the effect of CSR on the performance of the organization. The study has been done in the context of employees of IT sectors in Chennai. The respondents are selected through simple random sampling and the sample size is 100. The data required for the study is collected by way of questionnaire the analytical process executed is Regression. The outcomes of the analysis show that the CSR have positive relationship with employee creativity which means CSR influence the employee creativity of IT sector.

**KEYWORDS:** Corporate Social Responsibility (CSR), Organizational Performance

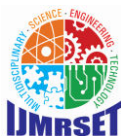
## I. INTRODUCTION

CSR (corporate social responsibility) refers to the activities that the organizations undertake for the benefit of the society as well as for the organization itself in the form of increased profits (Khanifar, Nazari, Emami and Soltani, 2012). The corporate social responsibility functions in 4 responsibility levels. They are legal, economical, philanthropic and ethical. The economic responsibilities of CSR relate to the fact of being profitable by way of establishing safe and good working conditions as well as offering products of good quality. The legal responsibilities refer to the compliance of rules and regulations. Ethical responsibilities refer to the performance of work which is right and also beyond the limit of legal requirement. This is done by doing business in an accountable, transparent and just manner. The philanthropic responsibilities refer to the voluntary support given to the society by the organization through providing resources for the well-being of the society.

In the words of Wood et.al, (2006), the responsibilities of corporate social responsibility are conducted by the organizations on their own desire. These activities are not imposed to be done by any law and rules. The organizations get engaged into these activities out of their own interest. Engagement of the organization in the activities of CSR is also done by the companies on being demanded by the customers and the government. Hence, every organization tries to implement the activities of CSR in the core business strategies itself (Kashyap et al., 2006). The organizations who have effective strategies of CSR establish effective corporate image and enhanced loyalty from employees as well as customers. Literatures had revealed that organizations that have concern for the society and the environment and implements the CSR activities, have the tendency to enhance the purchase preference of the consumer and also improved appeal for investment (Gildea, 1994). According to Korkchi&Rombaut (2006), the organizations should execute CSR activities if it wants to succeed for a long period of time.

## II. STATEMENT OF PROBLEM

Several firms, for the purpose of improving the performance, get engaged in the activities of corporate social responsibilities. The manufacturing factories also engage themselves in CSR for improving the life of the people in the society where they operate their business. However, it is yet not clear of the fact that what type of CSR activity leads to improvement in the performance of the organization. A variety of literatures exist regarding the outcomes of CSR. But, still a lot of queries still exist as to what type of CSR activity helps to increase the performance.



### III. NEED FOR THE STUDY

The current research regarding the CSR effect on performance has been undertaken from the reason that competitions of the business in the global world has been increasing due to changes in technology and globalization. Competitive advantage will be reaped only by the firm which proves to be effective and this effectiveness can be achieved through one of the ways of CSR.

### OBJECTIVES

The aim of the study is to observe and analyze the influence of CSR on the organizational performance of the IT sector in Chennai.

### IV. REVIEW OF LITERATURE

Tabitha Nasieku et al., (2014) studied about the CSR and the organizational performance. It was a theoretical review. For the achievement of the long-term objectives of the organization, maximum effectiveness and performance, the organizations have to perform the activities of CSR to its fullest potential. The major element of the corporate culture is the society where the business is being carried on. This affects the performance of the organization and hence, this needs the change to be undertaken in the internal structures, processes and also the behaviour of the organization. The authors of this research had presented a theoretical review of the practices of CSR and the result showed a very strong relationship of the CSR activities of the firm with the organizational performance.

Mohamed A. K. Basuony et al., (2014) examined the effect of CSR on the performance of the firm. The study was done in the context of a Mena country. The research examined the impact of CSR on the performance of the organization. The authors had made use of data which was cross-sectional in nature and was collected from the non-financial organizations of Egypt. The relation between the variables of the study was explained with help of the technique of regression. The results of the analysis revealed an optimistic impact of corporate social responsibility over the performance of the firm. Further, it was also explored that the organizational performance was influenced by all the components of CSR.

Emily.Mokeira Okwemba et al., (2014) examined the impact of CSR on the performance of the organization. The study was performed in the context of the banking sector of Kaka mega County, Kenya.CSR refers to the way in which the organization affects the interest of the stakeholders. The activities of CSR have got a major role to play in the performance of the organization. The study was done among the co-operative and equity banks of Kenya. The sample size of the study was 50. The respondents were selected randomly and questionnaires were issued for data collection. Cronbach's alpha was employed to test the reliability of the data collection tool. On the basis of the outcomes of the study, it was revealed that the performance of the bank was affected by the bank's philanthropic responsibility. It was recommended in the study that if the banks wish to retain the customers, the employees have to pay more attention to the ethics of behaving with the customers and stakeholders.

### V. RESEARCH METHODOLOGY

The study is undertaken with the main view of understanding the impacts of corporate social responsibility on the performance of the organization. The research is done in the IT sector employees of Chennai. The respondents are selected through simple random sampling and the sample size is 100. The statistical part of the study is carried on with the help of Regression.

### ANALYSIS AND INTERPRETATION

R	R Square	Adjusted R Square	F	Sig.
.870(a)	.757	.740	44.427	.000(a)

a Predictors: (Constant), CSR

## Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.358	.157		8.631	.000
This organization shows enthusiasm to charity	.050	.062	.065	.803	.424
This organization would do charitable donations	.249	.038	.460	6.621	.000
This organization would donate part of the revenue to serve the society	.001	.048	-.001	.016	.988
This organization pays attention to vulnerable group and offers them help	.134	.044	.288	3.016	.003
This organization focuses on the health and safety of patients	.005	.054	-.010	.092	.927
This organization regularly conducts free rural camp	.080	.042	.169	1.916	.058
This organization do conduct their performance in a way that reflects moral concern	.107	.032	.184	3.302	.001

a Dependent Variable: Organizational Performance

This table offers the multiple correlation ( $r = 0.870$ ), the multiple correlation squared ( $r^2 = 0.757$ ), the adjusted multiple correlation squared ( $\text{adj.}r^2 = 0.740$ ), and the standard error of the estimate. The multiple correlations are the combined correlation of every predictor with the conclusion. The multiple correlations squared denote the degree of variance in the outcome which is reported for by the predictors; here, 75.7% of the variance regarding employee creativity is accounted for by statements of CSR. Hence, the adjusted  $r^2$  is suitable. The table designates that the model's  $r^2$  is significantly dissimilar from zero,  $f = 44.427$ ,  $p < 0.000$ , which explains that there is significant connection among CSR and Employee creativity.

## VI. CONCLUSION

The purpose of this research paper is to determine the influence which the activities of CSR have got on the organizational performance. It is very important to pay more attention and also force the organizations to implement the CSR strategies for continual organizational performance, which in turn, helps to ensure that the organization provides better service quality to the customers, stakeholders and to the society as a whole. In short, it can be concluded that the firms have to, in collaboration of all the departments in the firm, carry out the activities of CSR for attaining the competitive advantage and thereby increase the organizational performance. The CSR have positive relationship with employee creativity which means CSR influence the employee creativity of IT sector

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