

ANALYZING THE CSR ACTIVITIES OF THE SELECTED PUBLIC AND PRIVATES SECTOR COMPANIES IN RAJASTHAN**Dr. Ashok Agrawal, Gargee Panwar**

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Abstract

CSR and a company's financial performance are linked with a phenomenon that investigated with number of research projects actuality undertaken throughout the globe. According to these study reports, a favourable association exists between a company's CSR practices and its financial success. To study this association, the researchers performed a regression analysis, which was preceded by the presentation of numerous measurements that they are employed key financial performance criteria. The paper uses Secondary data from 6 public and 6 private sector company's annual reports with government data from csr.gov.in. The period of study i.e., the data from the research work is done is for the period of 5 years from 2016-17 to 2020-21. The data collected were analysed using the statistical tools ANOVA and correlations. The results revealed a significant difference in the CSR expenditure of public and private companies with the public sector companies are spending much more rather than the Private sector and significant relation in the corporate social responsibility spending as a percentage of profit after tax of the Indian companies.

Keywords: CSR activities, Public and Privates sector companies, Rajasthan**Introduction**

The concept of creating shared value, often known as CSV, is founded on the notion that business success and social welfare are intertwined. To compete successfully, a company need a healthful, skilled staff, ecological reserves, and a authority that is capable of delivering on its promises. Competitive and profitable enterprises must be formed and maintained in order for society to survive. These firms generate income, wealth, tax revenues, and philanthropic contributions. Several companies were profiled in the Harvard Business Review (HBR)¹ article "Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility," which gave instances of businesses that have made significant links between their commercial strategy and their CSR initiatives When it comes to short-term profit vs. social or environmental goals, CSV accepts the trade-offs that must be made, but also stresses the chances for competitive advantage that may be gained by incorporating a social value hypothesis into business approach. It provides idea that there are just 2 significant stakeholders: shareholders and customers to consider. Several businesses use benchmarking to evaluate their CSR policies, execution, then performance. The process of benchmarking includes assessing rival activities, evaluating, and assessing the effect of the impact that such initiatives have on people and the environment, as well as how others view a competitor's CSR strategy.

Some opponents feel that firms use CSR activities to divert public consideration away from the ethical issues raised by their primary processes. They contend that the reputational advantages received by CSR enterprises (mentioned above as a benefit to the company) reveal the approach's inconsistency. Furthermore, some research suggest that CSR initiatives are driven by communal executives' individual benefits at the expense of shareholders, implying that they

represent a sort of agency issue in firms. Others have suggested that its major goal is to legitimise dominance of corporations. As treasure disparity is believed to be expanding, companies have found it more important to defend their situation of power.

According to Sheehy (2015)², the definition of CSR- Sheehy studied several scholarly definitions of corporate social responsibility. This included an “economic definition of sacrificing profits, a management definition of going beyond compliance, institutionalist conceptions of CSR as a social movement, and the law's focus on director duties”. Sheehy also considered “Archie B. Carroll's (2016)³ pyramid of responsibility for CSR, which covers economic, legal, ethical, and philanthropic considerations”. While Carroll argued for the classification of activities rather than defining CSR, Sheehy gave a definition more in keeping with the concept of science, which is used to describe things. In response to rising public concern about corporate ethics, Carroll expanded the concept of CSR to encompass ethical and philanthropic duties. It is this viewpoint that is mirrored in the Business Dictionary, which defines it as "a company's feeling of obligation towards the society and environment (both ecological and social) in which it works." Corporations demonstrate their corporate responsibility in three ways: (1) via garbage and toxic waste decline measures, (2) through contributions to learning and community initiatives, and (3) by making acceptable gains on the supplies they employ."

Reviews of literature

In viable marketplaces, a resource-based approach to CSR activities may be used to assess the cost-benefit analysis of CSR projects (RBV). Specifically, according to Barney (1990)⁴, "the formulation of the RBV demands that resources be valued (V), rare (R), inimitable (I), and non-substitutable (S) in order to have sustained competitive advantage." In order to maintain strong returns on their investment, a company that implements a CSR-based strategy must ensure that the method cannot be replicated by others (I). Should rivals, on the other hand, copy an approach that has the potential to boost total societal benefits? Firms that adopt CSR as a means of gaining a competitive advantage are also behaving responsibly.

RBV is based on the assumption that enterprises are collections of diverse resources and competencies that are only partially transferable across firms. Companies that purchase immobile resources may be able to gain a competitive advantage as a result of this imperfect mobility. McWilliams and Siegel (2001)⁵ examined “CSR activities and attributes as a differentiation strategy. They concluded that managers could determine the appropriate level of investment in CSR by conducting cost-benefit analysis in the same way that they analyze other investments”. Reinhardt (1998)⁶ found “that a firm engaging in a CSR-based strategy could only sustain an abnormal return if it could prevent competitors from imitating its strategy”.

Furthermore, while doing a cost-benefit analysis, one should include Waddock and Graves (1997)⁷, “who showed that corporate social performance was positively linked to financial performance, meaning that the benefit of being socially responsible outweigh the costs”. McWilliams and Siegel (2000)⁸ noted that “Waddock and Graves had not taken innovation into account, that companies that did CSR were also very innovative, and that the innovation drove

financial performance, not CSR". Hull and Rothenberg (2008)⁹ then "found that when companies are not innovative, a history of CSR does help financial performance".

Joel Bakan (2012)¹⁰ is a well-known opponent of the conflict of interest between private profit and public welfare, arguing that corporate leaders of publicly traded firms are legally required to maximise the wealth of their owners. Haynes summarises this viewpoint by stating that "a corporate calculation exists in which expenses are shifted onto both employees, customers, and the environment." Financially, CSR expenditure may be seen in this way, with greater expenses for socially unacceptable behaviour mitigated by reduced CSR spending. Indeed, it has been suggested that CSR expenditure creates a "halo effect." According to research, corporations that were convicted of bribery in the United States under the Foreign Corrupt Procedures Act (FCPA) got more forgiving penalties if they were deemed to be actively participating in complete CSR practises. CSR funding may be seen in financial terms, with the greater costs of socially unacceptable behaviour mitigated by reduced CSR expenditure.

Aguinis and Glavas performed a thorough assessment of CSR fiction, reviewing 700 abstract bases from various domains such as organisational behaviour, business strategy, marketing, and human resource management. It was discovered that the major incentive for corporations to participate in CSR was the projected financial advantages of CSR, instead of a desire to be socially responsible. Consumers react less positively "to CSR programmes that they perceive are contaminated with self-serving intentions, according to this research."

CEOs' political ideas are obvious reflections of their diverse personal perspectives. Depending on the results of the firm, each CEO may wield varying degrees of authority. It is envisaged that their political views would impact their choices for CSR results. Advocates claim that CEOs that are politically liberal will see CSR as advantageous and desirable for improving a company's image. They are more concerned with society's needs and how a company might meet them. Their CSR practise advances and the organisation benefits as a result. For conservative CEOs, on the other hand, the importance of property rights may be more critical. Due to their belief in free markets, self-determination, and the need of respecting authority, conservatives are less inclined to think about these behaviours than liberals.

The corporation's financial information with CSR behaviour has a good association as well. Furthermore, conservatives are more likely to be influenced by a company's success than liberals. While not perceiving it in terms of financial success, liberals believe that CSR contributes to a company's TBL. As example, if the firm is earning profits it is almost certainly encourage CSR. If the firm is not functioning as planned, they will highlight this activity since they may see it as a means to bring value to the business. CEOs that are politically conservative, on the other hand, will prefer to embrace CSR if they believe it would deliver a strong return on the company's financials. In other sense, these administrators do not take the outcome of CSR into account or to be valuable to the firm if it does not contribute something in return.

Abdelmoety, Z. H., Aboul-Dahab, S., & Agag, G. (2022)¹¹ in their paper on "A cross cultural investigation of retailer's commitment to CSR and customer citizenship behaviour: The role of ethical standard and value relevance revealed that Factors promoting customer citizenship behaviour are of great interest to both practitioners and academics because customer citizenship behaviour is a notable driver of business success. This study examines the role of value relevance and ethical standards in shaping consumers perceptions about retailers' commitment to corporate social responsibility (CSR) and its effects on customer citizenship behaviour under

different cultural contexts. It also examines the critical role of personality in shaping citizenship behaviours. Data from the UK and Egyptian consumers were collected and analysed. Data were collected from 1757 consumers and analysed using structural equation modelling (PLS/SEM). The findings indicated that value relevance and ethical standards are key drivers of retailer commitment to CSR, which in turns lead to customer citizenship behaviour. Moreover, the multiple-group analysis revealed that the degree of effect of these variables on customer citizenship behaviour differs between customers in Egypt and the UK. Specifically, the effect of value relevance and ethical standards on retailer commitment to CSR is stronger for the Egyptian customers than for the UK customers, while, CSR has stronger effects on customer citizenship behaviour for the British consumers than for the Egyptian customers. The managerial and theoretical implications were identified”.

Sun, J., Leung, X. Y., Zhang, H., & Williams, K. (2022)¹² in their paper on “Attracting Generation Z talents to the hospitality industry through COVID CSR practices aims to examine how COVID-related corporate social responsibility (CSR) activities affect future Generation Z employees’ intention to join the hotel industry through experimental designs. Based on signalling theory, construal level theory and value theory, this study established an integrated research framework to explain the mechanism of CSR communication. The proposed study conducted three online experiments on a total of 463 participants. ANCOVA test and PROCESS macro were performed to analyse the data for main, mediation and moderation effects. The results of this study indicate that in-kind donation is more efficacious in improving Generation Z’s job pursuit intention, as compared to cause-related marketing (CRM). CSR messages framed in a “how” mindset are favoured by Generation Z members who are either unemployed or eager to change their current job. The findings also confirm the effect of brand warmth as a mediator and other-regarding personal value as a moderator. The present study contributes to the limited knowledge on CSR initiatives by addressing the research gap of future employees and examining CSR as a response to COVID-19. The findings also provide hotel executives actionable implications to plan and communicate future CSR programs, especially during times of crisis. This study is one of the first studies to address Generation Z employees and to investigate the role of CSR initiatives on future hotel workers”.

Achi, A., Adeola, O., & Achi, F. C. (2022)¹³ revealed that “CSR and green process innovation as antecedents of micro, small, and medium enterprise performance: Moderating role of perceived environmental volatility expressed that Despite the recognised importance of corporate social responsibility (CSR) to firms, it is far from clear how and when CSR can drive the success of micro, small, and medium-sized enterprises (MSMEs). Drawing on the dynamic capabilities approach and using time-lagged survey data collected from 176 MSMEs operating in a major sub-Saharan African economy, we examine the role of green process innovation and perceived environmental volatility in linking CSR to MSME performance. We find that green process innovation mediates the positive relationship between CSR and MSME performance. Additionally, we discover that perceived environmental volatility negatively moderates the indirect relationship between CSR and MSME performance through green process innovation, lending support to a moderated mediation model. We conclude with a discussion on the

theoretical and managerial implications of our findings and provide avenues for future research”.

Peng, Y., Zhang, X., van Donk, D. P., & Wang, C. (2022)¹⁴ in their paper on How can suppliers increase their buyers' CSR engagement: the role of internal and relational factors revealed that “Buyer engagement proves important supports for suppliers' corporate social responsibility (CSR); however, little is known about whether and how buyer CSR engagement can be actively searched for by a supplier and what activities and policies of suppliers could enhance buyer CSR engagement. From the perspective of resource dependence theory, this study aims to explore how suppliers seek to achieve buyers' CSR engagement. The proposed model and hypotheses were tested by structural equation modeling methodology using survey data collected from 243 manufacturing and service firms in China. The results show that instrumental CSR motives and internalization of CSR policies jointly improve buyers' dependence, which in turn increases buyers' CSR engagement. In addition, this study investigates the influence of suppliers' trust on the effect of buyers' dependence on buyers' CSR engagement and finds a negative moderating effect on the dependence–engagement relation. The findings show that suppliers can actively engage in CSR to strengthen their position and improve the buyer CSR engagement. In fact, proactive CSR policies and implementation do pay off in the long run for them. This study offers a fresh perspective on the role of suppliers in improving CSR. In contrast to much of the literature that has considered buyer-initiated practices and policies, this is the first theoretical and empirical investigation into how suppliers can increase the buyer CSR engagement”.

Research Methodology

The current research is a comparative study to determine the contribution made by public and private sector enterprises to socio-economic growth and environmental protection via their corporate social responsibility activities (CSR). In developing countries such as India, where a wide range of socio-economic issues confront the general public, the adoption of a corporate social responsibility policy through the new Companies Act in 2013 represents a significant step forward in the country's overall socio-economic development strategy.

The sample of the study is combination of the public and private sector companies operating in the Rajasthan state. The following Public Sector companies of Rajasthan have been included in the study. the study includes Rajasthan Electronics and instruments Ltd., Rajasthan drugs and Pharmaceutical Ltd., Steel Authority of India Ltd., Rajasthan State Mines and Minerals Limited, FCI Aravali Gypsum & Minerals India Ltd. And Rajasthan Rajya Vidhyut Utpadan Nigam Limited. The Private Sector Companies of Rajasthan included in the study are Aavas Financiers Ltd., Udaipur Cement Works Ltd., Vaibhav Global Ltd., Career Point Ltd., Jaipur Rugs company Pvt. Ltd. and Rajasthan Gum Pvt. Ltd. The Secondary data has been collected from annual report of companies, Journals, Newspapers, other published books, websites and other published reports with government data from csr.gov.in. The period of study i.e., the data from the research work is done is for the period of 5 years from 2016-17 to 2020-21. The data collected were analysed using the statistical tools ANOVA and correlations.

Data Analysis**Table-1: CSR expenditure of selected companies**

Companies selected	2016-17	2017-18	2018-19	2019-20	2020-21
Rajasthan Electronics and instruments Ltd.	0.33	0.33	0.33	0	0.33
Rajasthan drugs and Pharmaceutical Ltd.	0.08	0.32	0.26	0	0.55
Steel Authority of India Ltd.	29.05	25.7	31.19	27.56	47.18
Rajasthan State Mines and Minerals Limited	3.62	1.9	2.54	1.95	0
FCI Aravali Gypsum & Minerals India Ltd.	1.02	1.11	0.7	1.14	0.62
Rajasthan Rajya Vidhyut Utpadan Nigam Limited	0.91	2.29	3.2	5.71	5.71
Aavas Financiers Ltd.	0.2	0.65	0	0	0
Udaipur Cement Works Ltd.	0	0	0	0	0
Vaibhav Global Ltd	1.52	1.43	1.25	1.3	1.65
Career Point Ltd.	0	0	0	0	0.32
Jaipur Rugs company Pvt. Ltd.	0.24	0.27	0.3	0.28	0
Rajasthan Gum Pvt. Ltd.	1.03	0.52	1.6	11.23	0

The above tables shows the CSR expenditure of selected public and private sector companies which is analysed as under:

To identify that the differences in the CSR policy and expenditure of selected public and private companies, following hypothesis were developed:

$H_{0(2)}$: There is no significant difference in CSR policy of Public and Private Companies.

$H_{1(2)}$: A significant difference exists in CSR policy of Public and Private Companies.

To test the above hypothesis ANOVA test was being used with SPSS-19 software. The results were provided in table 4.12 as under:

Table-2: ANOVA for difference in public and private companies**Descriptive**

SUMMARY	Count	Sum	Average	Variance
Public	30	195.63	6.521	148.3056
Private	30	23.79	0.793	4.218373

ANOVA results

Source of Variation	SS	df	MS	F	P-value	F crit
SSC	492.1498	1	492.1498	6.926854	0.013463	4.182964
SSE	2362.758	29	81.4744			
Error	2060.437	29	71.04954			

The above ANOVA table that shows the output of the ANOVA analysis and whether there is a statistically significant difference between means of public and Private Sector Company's CSR expenditure. The results revealed a significant difference with the F value of 6.926854 with significance value of 0.013463 ($p < 0.05$), which is below 0.05. and, therefore, there is a statistically significant difference in the CSR expenditure of public and private companies. Further with the mean value analysis it reveals that the public sector companies are spending much more (195.63) rather than the Private sector banks (23.79).

As it was identified that CSR variables in the sample companies are lined with their profitability or not, the following hypothesis is developed:

Table 4.20 Correlations			
		Profit	CSR
Profit	Pearson Correlation	1	.991**
	Sig. (2-tailed)		.000
	N	30	30
CSR	Pearson Correlation	.991**	1
	Sig. (2-tailed)	.000	
	N	30	30
**. Correlation is significant at the 0.01 level (2-tailed).			

$H_{0(3)}$: There is no significant difference in the corporate social responsibility spending as a percentage of profit after tax of the Indian companies.

$H_{1(3)}$: There is a significant difference in the corporate social responsibility spending as a percentage of profit after tax of the Indian companies.

To identify the relation between in CSR expenditure and Profitability, the Pearson coefficient of correlation was calculated as per table 4.20

As per table 4.20 the Pearson correlation of coefficient between the CSR expenditure and Profitability, a significant positive correlation was found $r = .991$, $p > 0.000$. As the Positive significant correlation were found, it can be said that the above stated alternative hypothesis is accepted and we can say that a significant relation in the corporate social responsibility spending as a percentage of profit after tax of the Indian companies.

Conclusion

India is the main nation on the planet to have a statutory consistence prerequisite on CSR spending while, in different nations like UK, France, Germany and so on., there have been willful rules. The Companies Act, 2013 has founded the possibility of CSR under Sec 135 of the Companies Act, 2013, to the bleeding edge and through its unveil or-clarify order, is advancing more prominent revelation and straightforwardness. This study analysed the CSR activities of the public and private companies. The study found a significant difference in the CSR expenditure of public and private companies with the public sector companies are spending much more rather than the Private sector banks and significant relation in the

corporate social responsibility spending as a percentage of profit after tax of the Indian companies.

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