

Comparison of Mandated CSR Performance Models across various industries in India

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Abstract

The authors main objective of this paper is to study and analyze the Corporate Social Responsibility Performance (CSR P) through the relationship of Corporate Financial Performance (CFP) and Corporate Social Responsibility Spend (CSRS). The authors in this paper attempt to find out if CSR helps in creating value through CSR Performance and through Corporate Social Financial Performance (CFP) specifically using CSR Spend. The motivation for the authors to perform this study is to identify and explore the gap particularly in the area of mandated CSR in the Indian context. The researchers through the study of literature reviews found the gap in the area of mandated CSR. There have been numerous studies by various researchers that have been investigated across the globe for the last 20 years on the relationship of Corporate Social Responsibility with specific focus on Corporate Social Responsibility Performance and Corporate Social Responsibility Spend. The authors performed an exhaustive overview and review of more than 100 research papers on the above linkage of CSR P, CFP and CSRS interestingly found that there are no more than 3 studies that explain the linkage for Indian companies especially within the Indian context. The authors explored the study of relationship using content analysis, basic statistical methods and ANOVA for analysis. The authors sample comprises of 125 listed companies out of the 500 listed companies in the National Stock Exchange (NSE) of India. The 125 listed companies are across various industries and sectors and sub-sectors within the various industries. Using statistical methods the authors test and compare the CSR Performance of the companies before the mandate and after the mandate. The authors primarily exploit the new mandate for this study. The authors use the CSR Spend as well as the CSR Financial parameters (CFP) to analyze the CSR Performance. The authors use 2 time periods, year before mandate i.e. 2013 and the year after mandate i.e. 2018 for comparison. The authors use stakeholder theory as the research framework and developed the stakeholders accordingly. The study finds that there is little difference in the CSR practices of Indian companies due to mandate. However, the mandate has created greater awareness and that was evident from the CSR Spend. The findings also revealed that the companies are consciously allocation CSR budgets towards their CSR practices. Though there are no evident and clear either from the companies, not from the industries or from the sectors towards mandated CSR Performance. The unique aspects of this paper are it divulges the details of the various companies across various industries and their impact on CSR Performance due to mandate. The paper contributes to the CSR literature as it presents empirical evidence of the influence of CSR spend on CSR practices and CSR performance in a developing country like India that has a mandated setting towards CSR.

Keywords

Corporate Social Responsibility (CSR); Corporate Social Performance (CSP); Corporate Financial Performance (CFP); India;

Biographies

Kavya Suresh is a 2nd year student pursuing his MBA & MS Collaborative Dual-Degree program at Department of Management, Bangalore, India. She earned her B.Tech in Engineering from India.

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