



## An awareness of corporate social responsibility and corporate ethics among PG students

Chidanand Dhavaleshwar<sup>1\*</sup> and Mallikarjun M. Maradi<sup>2</sup>

<sup>1</sup>Dept. of Studies in Social Work, Rani Channamma University, PG Centre, Vijayapury-586108 Karnataka, India

<sup>2</sup>Rani Channamma University, PG Centre, Jamkhandi-587301, Karnataka, India  
chidanand.dhavaleshwar@yahoo.com

Available online at: [www.isca.in](http://www.isca.in), [www.isca.me](http://www.isca.me)

Received 25<sup>th</sup> April 2022, revised 12<sup>th</sup> June 2022, accepted 10<sup>th</sup> July 2022

### Abstract

*Corporates have a significant role in building and developing communities. Companies Act- 2013 provides legal support to various communities and societies for the integrated development by the corporates themselves. Corporate social responsibility is the companies' significant ethical obligation, and they have a greater responsibility for developing the area where they are operating. The social accountability of the corporates must contribute to the social, economic, and infrastructure development of the communities and ensure the integrated development of every individual of society. The present paper aims to know the importance of the Companies Act (Amended) 2014 regarding CSR and how corporate ethics have essential to supporting community development. The researcher adopted an experimental research design to analyse the phenomenon of development and proposed recommendations for community development based on data collected from respondents and a review of secondary data. The paper explores that 92% of the respondents believe CSR plays a vital role in promoting corporate ethics through community development activities under CSR and legal aid for community development.*

**Keywords:** Corporate, Ethics, Social Responsibility, Awareness of CSR and Corporate Ethics.

### Introduction

Corporations have played a vital role in India's developing economy and Human resource corporates, extending their business constantly and immensely contributing to the community development activities. Before emerging CSR, selected corporates contributed some share of their profit for community development activities as a voluntary social development<sup>1</sup>. These activities were part of the business ethics, where these ethics guide the corporate body to contribute to the development of livelihood, infrastructure, health, and integrated development. Enactment of The companies Acts 2013 and further amendments mandatorily the corporate contribution for community development in the name of CSR activities. The act is the face of legalised corporate ethics, including the latest advice with the listed activities. As per section 135 of the Companies Act, 2013 ("Companies Act"), every company having a net worth of INR 500 crore or more, or turnover of INR 1000 crore or more or net profit of INR 5 crore or more during the immediately preceding financial year (FY) shall spend at least 2% of its average net profits as Corporate Social Responsibility (CSR)<sup>2</sup>.

**Review of Literature:** Michaela Bucur (8-9 October 2020)<sup>1</sup> study reveals that social responsibility has a significant impact on communities, and awareness of this concept is needed for involvement in CSR actions. The study stressed the knowledge and development of Corporate Social Responsibility (CSR) in

Europe. The research found that major respondents believe that companies are trying to create and maintain a pleasant image through CSR actions<sup>3</sup>. John Donaldson; Irene Fafaliou-2003 explained the extent of positive and negative influences of individuals on business. Much effort has been expended in making individuals aware of the consequences of their actions or inactions towards business<sup>4</sup>. Mridula Goela; Preeti E. Ramanathanb research study depicts that CSR, through the framework of the stakeholder theory of the firm and postulate that CSR, as practiced today, is a subset of business ethics with other dimensions of an overall ethics framework still uncovered<sup>5</sup>. Vethirajan C. Ramu study depicted that Fast Moving Consumer Goods companies' knowledge of CSR practices tends to give more priority to corporate ethics. The study reveals that CSR and corporate ethics are vital in ethical and economic responsibility. The author focused on other issues that CSR's impact on FMCG companies can produce on sustainable growth by satisfying all stakeholders equally. Henceforth, the study elaborated customer CSR perception on FMCS products that achieve faster social development within a short period<sup>6,7</sup>. Burce; Marinescu study focused on students' perception of being socially significant and adopts that could lead to a better world to live in<sup>8</sup>. Godfrey Adda et al. addressed business ethics and CSR from the perspective of MBA students and managers. The study came out that business ethics and social responsibility is vital and that lead to positive employability. The author found that the CSR practices stimulate a better public image, high loyalty, and a healthy

environment ensures the benefits of socially responsible corporations. The CSR principles benefit the companies and motivate the growth and development of the various companies<sup>9</sup>. The study encompasses that the growing importance for both employees is the person organisation approach and employees fits within working environment<sup>10</sup>.

**Objectives of the Study:** i. To study the awareness of CSR practices among post students in select areas. ii. To explore the benefits of interrelation between CSR and Corporate ethics.

**Hypothesis: i. Ho1: (Null Hypothesis):** There is no awareness about CSR Practices among PG Students in the select area ( $H_{01}: \bar{x} = \mu$ ). ii. **Ho2: (Null Hypothesis):** There is no interrelationship between CSR and Corporate ethics ( $H_{02}: \bar{x} = \mu$ ).

## Methodology

Primary sources of data conducted the study through an explorative approach. The primary data were gathered through open and close-ended questionnaires served based on a random sampling method. The sample size of 250 was selected from M.Com, MSW and MBA courses affiliated to Rani Channamma University, Belagavi. The study used descriptive statistical techniques and tested the testing of hypotheses for data analysis and inference. The secondary sources of information were also used to systematically search academic literature on Corporate Social Responsibility (CSR) and corporate ethics. Further, a random search of research papers, books, journals, magazines, Govt. reports, thesis, and concerned authorised websites on websites the awareness of CSR and Corporate Ethics.

**Corporate Social Responsibility:** According to the world business council for sustainable development (WBCSD), corporate social responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families and the local community and society at large<sup>11</sup>.

**The triple bottom line of CSR:** TBL theory posits that there should be three: profit, people, and the planet instead of one bottom line. A TBL seeks to gauge a corporation's level of commitment to corporate social responsibility and its impact on the environment over time. The theory proposes that profit must be invested in all the company stakeholders to promote their life. Social and economic life must be promoted via various developmental activities, and it should result in the empowerment of every stakeholder. A significant role of CSR would be initiations towards protecting and promoting the planet; hence environmental concerns should be promoted through CSR. The essential aspects of the planet concept are global warming, monsoons change, and water, air, soil and wildlife protection<sup>12</sup>.

**List of Activities under CSR:** The activities companies can include in their CSR policies include: eradicating hunger, poverty, malnutrition and promoting preventive healthcare, promoting sanitation and availability of safe drinking water, promoting education, promoting gender equality, ensuring environmental sustainability protection of national heritage. Further, contribute to the prime minister Relief fund and develop the social business projects for community development.

**Corporate Ethics (CE):** Corporate ethics are significant for the long run of institutions. Brand value and public opinion about the company depends on the ethics as followed in routine operation by the organisations. The central corporate ethics are as follows; i. Honesty is the best policy incorporates as well as personal life. Honesty in maintaining product quality and timely delivery promotes the reputation of the institution, and it increases the brand value, ii. Integrity: integrating among the office bearers and employees leads to strong human resource management. Systematic planning, organising, directing, and controlling plays a vital role in maintaining the company's integrity. iii. Promise-Keeping & Trustworthiness is the key aspects of corporate ethics. Timely production and supply chain management are two important contents of truthfulness. Hence corporates give utmost priority in this regard. iv. Loyalty or reliability is vital to promote the company as well as employees. Loyalty to the raw material providers and customers increases the scope of the business. v. Fairness in administration in legal areas benefits both employees and customers; such ethics increases the faith of various government departments. Therefore fairness in all aspects is expected from the companies, and it helps the companies in long term operations. vi. Concern for Others: corporates should have concerns for all the stakeholders; it ranges from raw supplier to customer satisfaction; it always helps the company have loyal customers and partner agencies. vii. Respect for others: respect and social concerns play a vital role in corporate ethics. Every corporate partner looks for dignified Behaviour from all sides; hence, corporates need to respect others, directly and indirectly, involved with the company. viii. Law-abiding: following the land law is an essential legal aspect, which lies with the corporates. Multinational companies need to have special care in this regard. Corporates must be very much sense of the social and cultural aspects of the country where they operate their businesses.

## Results and discussion

From the Table-1 inference that the gender and courses of the respondents, 52% of the M.Com graduates, 30% of the MBA graduates and 18% of the MSW PG graduates have taken for the study. 60% male respondents and 40% of female respondents comprised in sample design. The mean score  $\bar{x} = 83.3$  and  $SD = 43.1$  tends to explain that majority of the male respondents participated in the present research and played a vital role.

From the Table-2 inference about awareness of principles of corporate ethics, 48% of the respondents were aware honesty is one of the principles of corporate ethics ( $n = 250$ ,  $\bar{x} = 50$  and  $SD = 49$ ), 60% of the postgraduate students with  $\bar{x} = 50$  and  $SD = 56.6$  agreed on integrity, 57% of the graduates opined that the promise-keeping as corporate ethics, 53% of the respondents were said loyalty is one of the principles of CE with a mean score of 50 and  $\sigma=33.4$ . 72% of the respondents were aware that fairness is the principle of

corporate ethics. 66% of the graduate students know law following. Commitment to excellence is one of the factors of corporate ethics with a mean value  $\bar{x} = 63$  and  $SD$ . 84% of the respondents were agreed on the reputation and moral support of the company to implement ethics. The majority of the respondents were opined that accountability is one of the criteria for understanding corporate ethics in select places ( $\bar{x} = 50$  and  $SD = 62.9$ ). Hence, the majority of the respondents were aware and significantly awareness about.

**Table-1:** Exhibits gender and course of the respondents.

Gender	M.Com	MBA	MSW	N	Mean	SD
Male	75(30%)	38(15%)	30(12%)	150(60%)	47.7	24.0
Female	55(22%)	37(15%)	15(6%)	100(40%)	35.7	20.0
Total	130(52%)	75(30%)	45(18%)	250(100%)	83.3	43.1

**Table-2:** Exhibits an awareness of principles of corporate ethics among PG Students.

Corporate ethics	S. not aware	Not aware	Neutral	Aware	S. aware	N (%)	Mean	SD	SE (x)
Honesty	43 (17%)	12 (5%)	0	121 (48%)	74 (30%)	250 (100%)	50	49.0	24.5
Integrity	36 (14%)	22 (9%)	12 (5%)	150 (60%)	30 (12%)	250 (100%)	50	56.6	28.3
Promise keeping	11(4%)	33 (13%)	64 (26%)	99 (40%)	43 (17%)	250 (100%)	50	33.4	16.7
Loyalty	0	0	31 (12%)	132 (53%)	87 (35%)	250 (100%)	50	58.0	29.0
Fairness	18 (7%)	23 (9%)	31 (12%)	98 (40%)	80 (32%)	250 (100%)	50	36.5	18.2
Law abiding	9 (4%)	10 (4%)	66 (26%)	78 (31%)	87 (35%)	250 (100%)	50	37.7	18.9
Commitment to excellence	0	0	22 (9%)	145 (58%)	83 (33%)	250 (100%)	50	63.0	31.5
Exemplify Honour & ethics	12(5%)	33 (13%)	45 (18%)	99 (40%)	61 (24%)	250 (100%)	50	32.7	16.4
Reputation and morale	0	9 (4%)	27 (11%)	155 (62%)	59 (24%)	250 (100%)	50	62.9	31.4
Accountability	0	0	20 (8%)	160 (64%)	70 (28%)	250 (100%)	50	67.8	33.9

**Table-3:** Exhibits the area of social responsibility more significant for the company?

Factors	Not significant	Neutral	More significant	N	Mean	SD	SE(x)
Governance and dialogue with the stakeholders	80 (32%)	80 (32%)	90 (36%)	250 (100%)	83.3	80.6	46.51
Policy towards employees	29 (12%)	23 (9%)	198 (79%)	250 (100%)	83.3	99.3	57.36
Relationship with clients and suppliers	0	28 (11%)	222 (88%)	250 (100%)	83.3	120.9	69.80
Relationship with the community	10 (4%)	10 (4%)	230 (92%)	250 (100%)	83.3	127.0	73.33
Environment protection	4 (2%)	45 (18%)	201 (80%)	250 (100%)	83.3	103.9	60.01

**Table-4:** Exhibits the measures has company adopted to reduce environmental and community impact?

CSR Measures	Respondents	Percent	CSR Measures	Respondents	Percent
Energy saving	12	4.8	Donations	21	8.4
Waste recycling	35	14	Sponsorship of sport and cultural events	12	4.8
Sustainable packaging	0	0	Cause Related Marketing campaign	29	11.6
Develop of environmentally friendly product	22	8.8	Partnership projects of social solidarity	0	0
Life Cycle Assessment processes	0	0	equal opportunities and diversity	48	19.2
Management of environmental system	34	13.6	Management standards	11	4.4
Use of renewable resources	26	10.4			
Total				250	100%

The Table-3 inference that the area of CSR is more significant for every corporation. 36% of the graduates opined government and dialogue with the stakeholders are very significant with a mean score of  $\bar{x} = 83.3$  and  $SD = 80.6, n = 250$ , 79% of the respondents were said policy towards employees with mean  $\bar{x} = 83.3$  and  $SD = 99.3$ , 88% of the respondents were responses that relationship with clients and suppliers and 92% of the respondents agreed on relationship with the community with a mean score of  $\bar{x} = 83.3$  and  $SD = 127$ . 80% of the PG students were said environment protection is a more significant factor in CSR. Hence, the study elaborates that most of the respondents were positively respondents on the factors that yield the benefits of CSR and Corporate ethics.

The Table-4 inference is about the measures and reduction of environmental and community impact the company, such as energy-saving and waste management 14% of the respondents were aware of measures of CSR as management of the environmental system, 10% of the postgraduate students was replied on use of the renewable resource, and 12% of the respondents were aware on measures of CSR as a cause-related marketing campaign. The study opined that 19% of the PG students knew CSR's equal opportunities and diversity measure in India. Henceforth, the majority of respondents were aware of measures of corporate social responsibility.

**Finding:** The significant findings of the study are as follows; i. 60% male respondents and 40% of female respondents participated in the study. Enrollment as concerns boys are more in number, and they took active participation in research work. ii. 52% of respondents are M.Com graduates; they are more aware of corporate ethics, as they have corporate ethics as a subject for their academic discipline. iii. 72% of the respondents were aware that fairness is the principle of corporate ethics, which is very important in maintaining a good relationship with

all the company's stakeholders. iv. The study found that 66% of the graduate students know law following CSR and corporate ethics. v. The research found that 84% of the respondents were agreed on the reputation and moral support of the company to implement ethics. vi. 88% of the respondents were responses that relationship with clients and suppliers is a corporate ethic, and it plays an important role in social responsibility and actively involved in community development activities through CSR. vii. 92% of the respondents agreed that a relationship with the community is significant to maintaining cardinal relations with the community members and formal and informal leaders. viii. 14% of the respondents were aware of measures of CSR. Respondents were aware of the soft and hard infrastructure activities implemented in a community under the CSR activities. ix. 19% of the PG students knew CSR provides equal opportunities to all three communities, i.e. tribal, rural, and urban communities.

**Conclusion**

Corporate social responsibility is the philanthropic, ethical, and legal aspect of the corporates. Helping the needy is the in the roots of Indian ideology. Introduction of the companies Act 2013 mandate corporate investment in community development, then after corporates accelerate their working style towards community development. Many corporates invest in sustainable development and empowerment of the marginalised sections of society. Such corporate efforts support the promotion of corporate ethics. The present study revealed many aspects which are associated with corporate social responsibility and corporate ethics. The study concludes that CSR plays a vital role in maintaining brand image by helping the community members integrate development.

## References

1. Mihaela Bucur (2020). The Importance of Corporate Social Responsibility among Students in EUROPE. *paper presented in the International Conference on Interdisciplinary in Engineering-INTER-ENG-2020*, Targu Mures, Romania.
2. Cavico F. J. and Mujtaba (2012). National and Global perspectives of CSR. *International Journal of Management Science and Business Research*, 1(3), 1-24.
3. Gond, J. P., El-Akreimi, A., Igalens, J., & Swaen, J. (2010). Corporate social responsibility influence on employees. ICCSR Research Paper Series. *International Center for Corporate Social Responsibility, Nottingham University Business School* (54-2010).
4. Donaldson, J., & Fafaliou, I. (2003). Business ethics, corporate social responsibility and corporate governance: a review and summary critique.
5. Goel, M. & Ramanathan M. P. E. (2014). Business ethics and corporate social responsibility—is there a dividing line?. *Procedia Economics and Finance*, 11, 49-59.
6. Ramu C. & Vethirajan, C. (2020). Customers perception of CSR impact on FMCG companies: an analysis. *Int J Res Bus Manag*, 7(3), 39-48.
7. Vethirajan C. Ramu (2019). Consumers' Knowledge on CSR of select FMCG Companies in Chennai District. *Journal of International Business and Economics*, XII(XI), 82-102.
8. Burcea, M., & Marinescu, P. (2011). Students' Perceptions on Corporate Social Responsibility at the Academic Level. Case Study: The Faculty of Administration and Business, University of Bucharest. *Amfiteatru Economic Journal*, 13(29), 207-220.
9. Adda, G., Azigwe, J. B., & Awuni, A. R. (2016). Business ethics and corporate social responsibility for business success and growth. *European Journal of Business and Innovation Research*, 4(6), 26-42.
10. Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International journal of management reviews*, 12(1), 85-105.
11. Stiglbauer, M., & Eulerich, M. (2012). Evaluating and integrating corporate social responsibility standards: Implications for CSR concepts. *Journal of Governance and Regulation*, 1(1).
12. Slaper, T. F. & Hall, T. J. (2011). The triple bottom line: What is it and how does it work. *Indiana business Review*, 86(1), 4-8.