

Corporate Social Responsibility Practices of Major Indian IT Sector Companies

* P S Sreethamol

Assistant Professor on contract, P G & Research Department of Commerce, The Cochin College, Kochi (India)

ARTICLE DETAILS

Article History

Published Online: 29 Sep 2018

Keywords

Corporate Social Responsibility
 IT Sector Companies
 Social Responsibility

*Corresponding Author

Email: sreethaanil5[at]gmail.com

ABSTRACT

Social responsibility becomes an essential part of the wealth making process of Indian companies. A Company which is managed properly should boost the competitiveness of business and maximize the value of wealth creation to society. CSR is a concept whereby companies decide deliberately to contribute to a better society and a cleaner environment. It is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Indian IT sector is one of the major contributors to Indian GDP. As the presence of CSR activities in the Indian IT sectors shows the existence of the concept to contribute voluntarily for a better society and cleaner environment, this study looks at the Corporate Social Responsibility spending areas of Indian IT sector companies.

1. Introduction and Research Problem

In today's business world, the main "responsibility" for companies has historically been to make profit and increase share value. In other words, corporate financial responsibility had a small value. However, in the last decade, we witnessed a movement defining broader corporate responsibilities—for the environment, for local communities, for working conditions, and for ethical practices—has picked power and taken hold. Corporate Social Responsibility (also known as CSR, corporate conscience, and corporate citizenship) is the mixing of socially beneficial programs and practices into a corporation's business model and culture. CSR aims to multiply long-term profits for online and offline business by enabling them to become more efficient and attract positive attention for their efforts. The last decade of the twentieth century witnessed a shift infocus from charity and traditional philanthropy toward more direct engagement of business in mainstream development and concern for disadvantaged groups in the Indian society. Now companies in India realized that business cannot succeed in isolation and social progress is necessary for sustainable development. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well socio-economic status(Bajpai, 2001). Indian IT sector is one of the major contributor to GDP in India and the sector has increased its contribution to India's GDP from 1.2% in 1998 to 7.7% in 2017(NASSCOM, 2017). So Indian society need to get some benefit from in this sector other than contributions to economic development.

This paper attempts to answer the research questions as to identify the CSR spending areas of Indian IT sector companies.

1.1. Objectives

The study aims to understand the major spending areas attracting CSR practices of Indian IT sector companies.

1.2 Hypothesis

There is no significant difference in the spending areas of IT sector companies as part of Corporate Social Responsibility.

1.3 Methodology

The present study investigates the CSR spending areas of major NIFTY Indian IT sector companies by collecting the relevant information from the corporate disclosure in official websites.

Along with descriptive statistics, statistical tools such as averages, percentages, Chi-square and One way ANOVA were used.

1.4 Data Evaluation Criteria

The collected data were formed into tables by highlighting major three variables:

1. Company
2. Type of Company
3. CSR spending areas

2. Results

After observing the information from the official website of NIFTY listed IT companies the following results were obtained:

Table 1
CSR Spending Allocation of Major IT Companies

Company Name	Health	Agriculture	Education	Water & Sanitation	Livelihood	Infrastructure	Rural Development	Disaster Relief	Environment	Energy	Benefit the differently abled	Employability	Human Rights
HCL Technologies Ltd.	1	1	1	1	1	1							
Infibeam Avenues Ltd.													
Infosys Ltd.	1		1	1	1		1	1	1				
KPIT Technologies Ltd.			1		1		1	1	1	1			
MindTree Ltd.			1		1								
Oracle Financial Services Software Ltd.	1		1	1	1				1		1		
Tata Consultancy Services Ltd.	1		1	1	1				1	1	1		
Tata Elxsi Ltd.	1				1				1	1			
Tech Mahindra Ltd.			1									1	
Wipro Ltd.	1								1				1
Total	6	1	7	4	7	1	2	2	6	3	2	1	1

Source: Collected from Annual Reports and Websites of Companies

Table 4: Chi- Square Test

Chi-Square	df	P Value @ 5% level	Inference
15.186	5	0.010**	Significant

Source: Computed from Survey Data

Chi square test shows there is a significant difference in the spending areas of IT companies. P value is .010 at 5% level. It shows there is significant difference in the CSR spending areas of Major Indian IT sector companies. IT Companies mostly spend in health, education, livelihood and environment.

3. Conclusion

From all these analysis this study concludes, spending areas attracting CSR practices of major Indian IT sector companies are Health, Agriculture, Education , Environment,

Livelihood, Water & Sanitation , Infrastructure, Disaster Relief, Rural Development, Energy , Benefit the differently abled, Employability, and Human Rights . Corporate Social Responsibility spending areas of Indian IT sector companies are different and there is no any relationship also. Companies are spending more on Education, Health, Environment and Livelihood. We can see there is not any base for CSR selection also. There is scope for further research in other different sectors also.

References

- Bajpai, G.N. (2001), Corporate Social Responsibility in India and Europe: CrossCultural Perspective, 2001
- Mohan, A. (2001), "Corporate citizenship: perspectives from India," Journal of Corporate Citizenship, vol. Summer, No. 2
- Blazovich, J., & Smith, M. (2011). Ethical corporate citizenship: Does it pay? In C. Jeffrey (Ed.), Research on professional responsibility and ethics in accounting (research on professional responsibility and ethics in accounting) (Vol. 15, pp. 127–163). Bingley: Emerald Group Publishing Limited.
- [https:// www.triplepundit.com/corporate-social-responsibility-pdf/](https://www.triplepundit.com/corporate-social-responsibility-pdf/)
- <https://www.moneycontrol.com/annual-report/hcltechnologies/HCL02/2018>
- <https://www.business-standard.com/company/infibeam-incorp-65841/annual-report/director-report>
- <https://www.infosys.com/investors/reports-filings/annual-report/annual/Documents/AR-2018/boards-report.html>
- <https://www.kpit.com/company/investors/financials>
- <http://www.oracle.com/us/industries/financial-services/ofss-annual-report-2017-18-3854654.pdf>
- <https://www.tcs.com/content/dam/tcs/investor-relations/financial-statements/2017-18/ar/annual-report-2017-2018.pdf>
- <http://www.tataelxsi.com/investors/financials/Annual-Report-2017-18.pdf>
- <https://www.moneycontrol.com/annual-report/techmahindra/directors-report/TM4>
- <https://www.wipro.com/content/dam/nexus/en/investor/annual-reports/2017-2018/annual-report-for-fy-2017-18.pdf>