

Social Impact of CSR Activities of Start-Ups in Vindhya Region

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ABSTRACT

Corporate social responsibility (CSR) often gets lost in the shuffle of creating a start-up and focusing on products and services. Initially, companies thought that they can call for charity on a single day while focusing on business for the rest of the year, but now consumers attracting to brands have in their minds, the good causes associated with them. Hence, through this study, we will come across the various CSR activities taken up by the start-ups in the Vindhya region. Also we have studied the attitude of the consumers towards the companies involved in CSR activities.

Keywords

Consumers, corporate social responsibility, market, society, start-ups

I. INTRODUCTION

While the government talks about various solutions to the problem existing in society, the corporate are taking action. CSR activities can be implemented by the start-ups from the day one of business by putting purpose before profit. There are many ways in which the companies according to their products and services are involving themselves in CSR activities. Like for example, if the consumers are mostly women then the companies like ITC and Bajaj auto Ltd have opted to work for promoting women's rights. ITC Ltd has provided a wide range of employment opportunities to over 61,000 poor women so far and Bajaj Auto has supported IISER, one of India's leading research institutes in constructing a dedicated Hall of residence for women research scholars.

Many of the start-ups spend years to succeed as a company and then plan for engaging in social change. But they miss out on an invaluable opportunity of being a part of corporate social responsibility. Today a lot of entrepreneurs see company's commitment to social and environmental responsibility as a key factor in their employment decisions. Companies committing to certain charities definitely attract and retain conscious customers who share the same view. A recent study says that 66% of the consumers are in fact willing to spend more on the product if it comes from a socially responsible company.

II. OBJECTIVES OF THE STUDY

1. To know the various CSR activities performed by the start-ups of Vindhya region
2. To analyse the spendings on CSR activities by the start-ups
3. To analyse the mentality of business owners on these activities
4. To study the effect of these activities on the employees of the company
5. To study the impact of these activities on the consumers of Vindhya region
6. To study the effect of company's CSR activities on brand image in the market

III. RESEARCH METHODOLOGY

Research methodology is a systematic and scientific method to know the truth and reality behind phenomena. We need to understand the exemptions underlying latest techniques and the criteria by which we can decide that certain techniques and procedures will be applicable to certain problems. In other words a system of model, procedures and techniques used to find the results of the problem. Hence the research methodology of the study is as follow-

1. Research design: We have selected descriptive research design because it involves observing and describing the atmosphere of CSR among corporate without influencing it anyway.
2. Sample design:
 - 2.1 Sampling technique: Here we have used convenience sampling as subjects that are start-up companies here are selected because of their convenient accessibility and proximity to us. It is a non probability sampling technique.
 - 2.2 Sample size : Sample size is an important feature of any study where our goal is to make inferences about a population from the sample. Here, the number of observations in order to replicate the population is 50, that is 50 start-ups where chosen in order to form opinion about approximately 500 start-ups in Vindhya region.
 - 2.3 Sampling area: Total area of investigation comprised of four major cities of Vindhya region. They were Satna, Rewa, Sidhi and Shahdol.
3. Data collection
 - 3.1 Primary data: Primary data has been collected through structured questionnaire
 - 3.2 Secondary data: The secondary data which helped us to gather the records of CSR activities among the start-ups were local newspapers and social networks.
4. Data analysis: Following are the parameters on which the results of the study has been derived. The interpretations of the data has been done with percentage analysis and given below.
 - 4.1 Awareness about the theme of corporate social responsibility

Interpretation: We found out that 33% of the respondents know very well about CSR activities and its importance, 40% of them knew it partially whereas 27% of them were totally unaware of what is CSR.

4.2 Any strategy or management personnel of the company responsible for carrying out CSR activities

Interpretation: We found that 47% of the corporate have involved CSR in their companies' strategy, 35% among them have allocated a management personnel looking after the activities, 12% have no specific way to implement CSR whereas 6% have no involvement in CSR activities

4.3 Areas of CSR companies engaged

Interpretation: According to the study, 40% of the companies are involved in direct philanthropic giving, 22% have taken up environmental sustainability initiatives, 18% have taken up ethical business practices, 12% of them focus on economic responsibility of the nation whereas 8% of the sample have no involvement in CSR activities.

4.4 Types of resources provided by the company in CSR activities

Interpretation: We found that 35% of the respondents provided money to the needed organisations, 27% provided volunteers to the needy, 18% provided loans, 15% of them distributed things of necessities and 5% used other types of resources to perform CSR activities.

4.5 For organisations involved in environment sustainability initiatives which is the most important area covered

Interpretations: We found that among the organisations which are involved in environment sustainability initiatives majority of them work for protection against air-pollution, 27% for water conservation, 30% for energy conservation and 10% for protection against sound pollution.

4.6 Benefits of implementing CSR

Interpretation: We can state that 33% of the respondents got the benefit of creating a brand image in the market, 50% got the benefit of employee retention, 27% gave no response while none of the respondents informed about profitability of the company

4.7 Percentage of total revenue allocated for CSR activities

Interpretation: 50% of the respondents say that 2% of the profit is allocated for CSR activities, while 12% say that only 3% of the profit, 10% say 5% of the profit where as 28% of the respondents say that there is no proper allocation to these activities.

4.8 Participation of employees in CSR activities

Interpretation: We found that 63% of the employees did not participate in CSR activities whereas 37% participated in CSR activities.

4.9 Training sessions conducted to enhance CSR activities

Interpretation: We found that hundred percent of the respondents say that they did not have any training sessions for participation in CSR activities at their sites

4.10 Management of CSR report

Interpretation: 70% of the start-up say that CSR report is published every year along with the financial report whereas 30% of them deny for it.

4.11 Importance of CSR activities rated by the start-ups

Interpretation: 50% of the respondents feel that CSR is moderately important while 40% of them feel it very important whereas 10% of them find it not at all significant.

4.12 Impact of CSR activities on companies reputation and brand image among the consumers

Interpretation: We found that 70% of the start-ups feel that CSR activities have a strong positive impact on the company's reputation and brand image among the consumers while 30% of them does not feel so.

4.13 Any incentives for employees carrying on CSR activities for the company

Interpretation: We found that 50% of the companies give recognition and rewards to the personnel or teams who participated in CSR activities, while 30% of them made their employees leaders in these activities and 20% did not offer any incentive to employees for carrying out these activities.

4.14 Any rewards or recognition for carrying out CSR activities from society or government

Interpretation: 60% of the companies may not receive the rewards but has received recognition from the society for performing the CSR activities while 40% did not receive any recognition.

4.15 Impact of CSR activities on similar firms of industry

Interpretation: Majority of the firms reported that after performing CSR activities they feel a special recognition in the industry as well as a step above the competent firms.

4.16 Most important responsibility of the company

Interpretation: 32% of the respondents feel that offering good quality products is the most important responsibility of any company why 28% feel that following legal requirements is necessary. Also 25% of the respondents say that treating employees with respect is the most important aspect while 15% reported that being friendly with the environment is important.

4.17 Any relationship between profitability and CSR

Interpretation: Majority of the respondents said that there is no relationship between profitability and CSR.

4.18 Any program conducted by the company to assist their employees families or community members

Interpretation: Majority of the companies reported that they conduct programmes on education and health for the families of their employees while the others conducted training and counselling sessions also if you worked for preserving natural resource.

4.19 Preference for products or services of the companies practising CSR by consumer

Interpretation: We found that 40% of the consumers prefer products or services of the companies who are practising CSR while the others did not.

4.20 Willingness to pay higher prices for the products or services of the company is practising CSR as a consumer

Interpretation: Only 40% of the consumers were willing to pay higher prices for the products or services of companies practising CSR while the others preferred lower prices for the same products or services.

5. Findings and observations

- A lot many activities are being undertaken by the corporate under CSR in the Vindhya Region.
- Majority of them are into environmental sustainability initiatives.
- Also many of them are involved into direct philanthropic giving activities.
- Some of them are involved in women empowerment and child education activities.
- The start-ups are receiving many benefits of implementing CSR as an essential activity of the organisation
- They not only have created a positive brand image among the consumers but also received high level of employee loyalty.
- Some of them had no awareness on CSR activities.
- Usually no training sessions held by the government or private authorities of the area on CSR.

IV. RECOMMENDATIONS

- Government should organise training sessions for the start-ups and their corporate social responsibilities.
- Government should declare rewards and recognitions for the company is doing it on local bases also.
- Companies should treat CSR as an inherent policy of the company.
- More involvement of the employees in these types of activities leads to high level of loyalty towards the firm.
- Criteria or mechanism for proper evaluation of CSR activities by the start-ups should be developed.

V. LIMITATIONS

- Due to limited time and resources it was not possible to collect data from all the cities of Vindhya region so respondents from Satna and Rewa were more in comparison to others.
- The study may have 5% chances of error.

- Since the sample size was quite small it may or may not represent the true opinion about the population
- Some start-ups were not willing to share confidential data like the percentage of their profits etc.
- The possibility of the respondents response being biased cannot be ruled out.

VI. CONCLUSION

This study has led us to the conclusion that corporate social responsibility is one of the most important activities of a developing nation where the growing business can help the other sectors of the society to grow with them. Since, it did not get that much familiarity among the rural areas or smaller cities, so it is very important for the government to have many seminars and workshops on CSR activities to create awareness among both the companies as well as consumers.

Though the Ministry of Corporate Affairs have declared the first National CSR awards in 2018 with two special categories for MSMEs, but very few organisations in this region know about it.

Also we can conclude that both the consumers and the employees are willing to pay higher prices for the products or services of the company which is practising CSR in the Vindhya region. So nation's prosperity is one of the most important feeling in each citizen of the country.

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