A Study on the Evaluation of Corporate Social Responsibility Activities of a Public University on the Development of the Community in India

Dr. G. Sudhakar[1], Mr. R. Srinivasa Rao[2]

[1]Principal/Professor, OMEGA PG COLLEGE (MCA), Edulabad, Ghatkesar (Mandal), Medchal (Dist), Telangana State

[2]Associate Professor, OMEGA PG COLLEGE (MCA), Edulabad, Ghatkesar (Mandal), Medchal (Dist), Telangana State

Abstract - **Corporate Social responsibility is not a requirement but a responsibility of an organization for the impact of its decisions and activities on society and the environment, through transparent and ethical behaviour. The main objective of the study was to find out the impact and evaluate the Corporate Social Responsibility activities on community development by the contributions of Public University in India. The identified independent variables for this study were education, health, environmental protection, employment opportunity, roads construction and security. To bring this objective into life, the researcher used primary sources of data; which was collected through structured questionnaire with five point Likert scale. The researcher employed causal research design for this study. The target populations of the study were household heads or residents living in that area or vicinity of the University. 459 sample size was determined by using Yamane's formula, and the researcher had employed judgmental sampling technique to select the representatives. This research is quantitative in approach; hence, the collected data was analyzed by using correlation and regression models through SPSS version 21. And it has been found that employment opportunity has the highest impact on community development, followed by health, education, environmental protection and security respectively whereas the factor roads construction was found to be insignificant. Based on these findings possible recommendations that contribute to the betterment of the community which leads to the development are forwarded.**

Index Terms - **Corporate Social responsibility, Community Development, Education, Health, Environment protection, Employment opportunity, Road construction and Security**

INTRODUCTION

Corporate Social Responsibility (CSR) simply refers to the strategies of the corporations or firms use to conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employee, customers and their families and involving in activities for environmental conservation and sustainability.

Corporate social responsibility (CSR) is about how an organization gives back to its stakeholders in an acceptable and sustainable manner. It involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. It is a commitment to improve the wellbeing of a community through discretionary business practices and contributions of corporate resources. To be socially responsible means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. CSR is about companies manage their business operations to produce an overall positive impact on society (Baker, 2011). Modern CSR was formalized by Bowen in 1953, which referred to the necessity of undertaking action by businessmen, which are desirable in terms of objectives and values of society (Falck and Hebhich, 2007).

Community is generally relates to a group of people sharing a common purpose, who

are interdependent for the fulfillment of certain needs, which live in close proximity and interact on a regular basis. Hence, community development can be defined as the process of integrating disadvantaged citizens into the local economy to create community wealth. Community development involves the coming together of a group of people in a community planning and acting together to bring about the satisfaction of their needs with a view to bringing about desirable change in the lives of the people through their cooperative efforts and by actively taking part in measures designed to improve their conditions of living (Adedokun, 2008). Community Development involves strengthening the capacity of individuals within the community to accomplish the community's set goals.

The world is changing faster than ever before by any count. Human numbers are growing faster, and the impact of our activities is being felt in more and more ways. This change has profound implications for business, and means that the world of corporate social responsibility (CSR) is at the forefront of this change. So it's worth looking for what are the current trends and where are they heading (Mallen B., 2012). According to Dorius (2011) who suggested that community development success be measured in terms of poor citizens gaining the skills and confidence required to overcome social barriers to economic success, and community institutions making policy decisions and resource commitments that help sustain such success-seeking behavior. And one means to gain the required skill; confidence is through Universities engagement.

Corporate social responsibility is also called corporate conscience or corporate social performance are duties perform by organizations to the society in which they are operate, such as protection of the environment, provision of social amenities, health and safety, and so on (Odetayo, Adeyemi and Sajuyigbe, 2014). Obviously, CSR has gained acceptance world-wide, to the extent that in many cases the level of implementation by corporations have been deployed as a yardstick for measuring performance and for winning international awards (Adem, 2012). Since community development is an important aspect of any country and this is due to its multiple effects that it can bring to the individuals, communities and country as a whole; by taking public university contributions, the impact of CSR on community development was studied.

RESEARCH OBJECTIVE

The primary objective of the study is to assess the Evaluation of Corporate Social Responsibility on Community Development: A study on the contributions of Public University in India.

SIGNIFICANCE AND SCOPE OF THE STUDY

Bringing adverse means to make possible the development of the community is not something that can be easily taken into consideration, rather it need to be given a huge emphasis and attention. This study will have a massive impact for the community in increasing their benefit, which comes through the university, and this study is prominent not only for the communities depending on the University but also for other communities which have university in their environs. This research will benefit the University in prevailing what it does which is not only fulfilling its learning and teaching process but also what the university role in playing for the community. And it's also useful in promoting university goodwill for any outside parties as well as to the internal employees. The researcher gave emphasis on the evaluation of CSR on community development on the contributions of Public University. And there is no doubt that if this research is done in every university, it will have a tremendous importance for the communities as well as to the country.

LITERATURE REVIEW

Ahmad A. Abubakar et al. (2017) whose research with the title "Impact of Corporate social responsibility on profitability of quoted food and beverages companies in Nigeria" The dependent variable is profitability which is measured with profit after tax; while the independent variable is corporate social responsibility was measured using the amount spent on corporate social responsibility activities. The result of the study reveals that corporate social responsibility has a significant positive impact on profitability.

Flavianus B. Ng'eni, et al. (2015) on the research work titled The Role of Corporate Social Responsibility (CSR) in Community Development in Tanzania which was purely based on desktop and library research

methodology. This include reviewing of all published and unpublished materials related to corporate social responsibilities in Tanzania, such as journals and research papers, diagnostic study reports, annual reports and journal articles. In order to obtain supportive data from Tanzania, five companies were selected depending on availability of annual reports for five years.

Alexander Asumah (2015) has researched entitled "The effect of Corporate Social Responsibility on Community Development: A study on Anglo gold Ashanti, Obuasi mine" Results from the study showed that the company carried out its Corporate social responsibility to the Obuasi community and its environs. The major CSR activity mostly practiced included provision of malaria control programs, provision of employment, embarking on environmental issues, and good drinking water to the community. Again, the study showed that the state of community development in the communities were good/satisfactory (87%). The results of multivariate regression analysis showed that corporate social responsibilities has an influence on community development.

Francis Ofuyana Afande (2015) examined the Drivers for Participation in Corporate Social Responsibility by Commercial Banks in Kenya, the purpose of the study sought to analyze the drivers for participation in corporate social responsibility. The key findings of the study indicated that the factors influencing participation in corporate social responsibility by commercial banks in Kenya can be categorized into four – economic factors, legal factor, ethical factors and philanthropic factors.

Aisha,Mirghani,Shibeika (2015) has conducted on the research title "The Impact of Internal Corporate Social Responsibility on Job Satisfaction within the Banking Sector in Sudan" This study attempts to investigate the relationship between internal CSR practices and job satisfaction (JS) based on the stakeholder theory (ST). Specifically, she examine the impact of eight dimensions of internal CSR practices on JS namely: training and career development, health and safety, employees' right, employees' welfare, vacation entitlement, social work environment, workplace diversity and disabled support. The findings of this study indicate that internal CSR positively influenced JS of employees. Specifically, there is statistically significant positive relation between the CSR variables training and career development, health and safety, social work environment, employees' right, employees' welfare, workplace diversity and job Satisfaction.

Bashiru Alumsinya Seidu (2014) carried out a research with the title of Corporate Social Responsibility and Sustainable Local Development: A case study of European Small and Medium Enterprises (SMEs) in Kenyan Agri-business. The study results revealed that European entrepreneurs are engaged in responsible business practices in a variety of ways which have a positive impact on sustainable local development of the local communities within which the enterprises operate.

Muhammad Mumtaz and Syed Shahzaib Pirzada (2014) with research title "Impact of Corporate Social Responsibility on Corporate Financial Performance", The objective of their study was to explain the relationship between corporate social responsibility and firms financial performance and also to find whether corporate social responsibility has any impact on corporate financial performance or not. As per the findings of their study, there existed a strong positive relationship between corporate social responsibility and corporate financial performance.

Abdul Hamid Yusuf (2013) in his research work with title "Assessment on Corporate Social Responsibility Practices and Determinants". His study was aimed at studying the existence and practices of different dimensions of Corporate Social Responsibility (CSR) in Indian Leather Industry by taking Awash and Addis Ababa tanneries as case studies. The determinants which were considered for the study namely labour pressure, consumer demands, community enforcement, sustainability and profitability, social license and nature of the firm. It showed relevance that labour, customers, and industries had a positive relationship, especially for leather industries to implement CSR concepts and to get benefit from it.

VARIABLES IDENTIFIED FOR THE RESEARCH

1. Education

Education is the process of facilitating learning, or the acquisition of knowledge, skills, values, beliefs, and habits. Educational methods include storytelling, discussion, teaching, training, and directed research.

2. Health

Health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity.

3. Environmental Protection

Environmental protection is a practice of protecting the natural environment on individual, organization controlled on governmental levels, for the benefit of both the environment and humans.

4. Security

Security refers to freedom from, or resilience against, potential harm (or other unwanted coercive change) from external forces. Beneficiaries (technically referents of security) may be persons and social groups, objects and institutions, ecosystems, and any other entity or phenomenon vulnerable to unwanted change by its environment.

5. Roads Construction

Infrastructure is the fundamental facilities and systems serving a country, city, or other area, including the services and facilities necessary for its economy to function. Typically characterizes technical structures such as roads bridges, tunnel, water supply, sewers, electrical grids, and telecommunications.

6. Employment Opportunity

Employment is a relationship between two parties, usually based on a contract where work is paid for, where one party, which may be a corporation, for profit, not-for-profit organization, co-operative or other entity is the employer and the other is the employee.

MATHEMATICAL MODEL

The mathematical model can be written as:

$Y = a + \beta x$

Where, y = dependent variable = Community Development (CD)

a = intercept

β = Slope (coefficient) of independent variable x

$CD = a + \beta_1 E + \beta_2 H + \beta_3 EP + \beta_4 S + \beta_5 RC + \beta_6 EO + U$

Where

CD= Community Development

E= Education

H= Health

EP= Environmental Protection

EO= Employment Opportunity

RC= Road construction

S= Security

U = It is the Stochastic Disturbance term/ a random and unobserved that may represent all those other challenging factors

RESEARCH HYPOTHESIS

H_1: Education enhancement facilitated by public university has significant impact on community development.

H_2: Healthcare service provided by public university has significant impact on community development.

H_3: Environment protection engagement of public university has significant impact on community development.

H_4: Security ensuring engagement of public university has significant impact on community development.

H_5: Roads construction made by public university has significant impact on community development.

H_6: Employment opportunity provided by public university has significant impact on community development.

RESEARCH METHODOLOGY

The study has been conducted on the basis of the primary data collected through structured questionnaire. As the approach aims at analyzing the impact of Corporate Social Responsibility on community development by the contributions of Public University in India, the research design has been taken to be causal. The measurement scale for the instrument is five-point Likert scale representing the intervals (1= strongly disagree, 5= strongly agree) to measure the response on continuous scale. Descriptive and inferential statistics were used as data analysis tool. The study was undertaken between May 2021 – July 2021.Reliability of the instrument was checked through Pilot study. The calculated reliability Cronbach's alpha was 0.919 which shows that questionnaire is highly reliable.

DATA ANALYSIS AND INTERPRETATION

The study is being carried out at a Public University in India. The data was collected from 459 households living in the vicinity of the university location out of which 8 questionnaires were excluded due to incompleteness in filling. So the results are based on

451 questionnaires of sample determination at 95% confidence level.

TABLE 1: REGRESSION MODEL SUMMARY

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.817[a]	.667	.662	.74996	1.277

Source: (own survey, 2021)

Table 1 of multiple regressions model shows (R) the multiple correlation coefficients between dependent variable (community development) and independent variables (education, health, environmental protection, employment opportunity, roads construction and security).

As indicated in table 1: R of 0.817 represents a situation in which all the identified independent variables are strongly correlated with community development. Coefficient of determination or correlation coefficient squared (R^2) tells that how much of the variance in community development is accounted by regression model from sample of 451 respondents and which measures the amount of community development predictors (education, health, environmental protection, employment opportunity, roads construction and security) which each factors share each other.

As indicated in table 1 square of correlation coefficient of each factor share is 66.7% of CSR predictors. Therefore, the researcher found that education, health, environmental protection, employment opportunity, roads construction and security share 66.7% of community development in Public University. This means that 33.3 % of the CSR affecting factors cannot be explained by this study variable (education, health, environmental protection, employment opportunity, roads construction and security) factors alone. Therefore, there must be also other variables which were not included in this study which have an influence on community development in the study area. The adjusted (R^2) value indicates the loss of predictive power or shrinkage, the adjusted value tells us how much variance in community development would accounted for if the model had been derived from the population from which the sample was taken. In the table 1 the difference for the final model is very small (0.667-0.662 =0.005) about 0.5%. This shrinkage means that if the model were derived from the population rather than a sample it would account for approximately 0.5% less variance in the outcome.

TABLE 2: REGRESSION ANALYSIS OF COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.670	.195		-3.434	.001
Education	.261	.033	.278	7.991	.000
Health	.367	.034	.379	10.907	.000
Environmental protection	.109	.029	.125	3.799	.000
Security	.076	.029	.085	2.623	.009
Roads construction	.017	.035	.016	.476	.635
Employment opportunity	.475	.031	.496	15.481	.000

Source: (own survey, 2021)

Based on table 2, by analyzing T value it can be seen that employment opportunity has the highest impact on community development (T = 15.481), followed by health T = 10.907), followed by education (T = 7.991), followed by environmental protection (T = 3.799), and security (T = 2.623).

The regression coefficient β represents the change in the outcome resulting from a unit change in the predictor and that if a predictor is having a significant impact to predict the outcome. The β value tells us the constant term and the coefficient of independent variables in affecting the dependent variable (community development). The p-value is less than 0.05 for all the variables except roads construction hence, it indicates that the 5 independent variables are significant to predict community development (dependent variable) and roads construction is not significant to predict it.

Therefore, the β is different from 0 and the researcher found that the predictor variables make a significant contribution in predicting community development, education (β_1) =.261, health (β_2) =.367, environmental protection (β_3) =.109, security (β_4) =.076, employment opportunity (β_6) =.475 are statistically significant variables can predict community development of Public University, whereas roads construction (β_5) =.017 does not have a statistically significant relationship with community development since its p-value is greater than 0.05.

TABLE 3: *HYPOTHESIS TESTING RESULT*

Hypothesis	Test independent variable with dependent variable	p-value	Significance /beta value	Result

H1	Education enhancement provided by the university has significant impact on Community development	. 000 <0.05	Significant	H1; is Accepted
H2	Healthcare service provided by the university has significant impact on community development.	.000 <0.05	Significant	H2; is Accepted
H3	Environment protection engagement of the university has significant impact on community development.	.000 <0.05	Significant	H3; is accepted
H4	Security provided by the university has significant impact on community development.	.009 <0.05	Significant	H4; is accepted
H5	Roads construction made by the university has significant impact on community development.	.635 >0.05	Insignificant	H5; is rejected
H6	Employment opportunity ensuring engagement of the university has significant impact on community development.	.000 <0.05	Significant	H6; is accepted

Source: (own survey, 2021)

CONCLUSION

The study was conducted to assess the impact of corporate social responsibility on community development: A study on the contributions of Public University in India. It is evidenced that Public University carried out its corporate social responsibility towards the community.

▪ In terms of the stated research hypothesis the following finding has been found out. That is education, health, environmental protection; employment opportunity and security are having significant impact on community development while roads construction found to be insignificant in determining community development contribution of Public University. From this Employment opportunity was found to be having greatest impact followed by health, education, environmental protection, and security respectively on community development.

▪ The major CSR activities mostly practiced by the Public University development includes, providing educational enhancement facilities to the community, provision of health-care delivery to maintain the health of the citizens, provision of employment to majority of the citizens, embarking on environmental issues, and providing security engagement to the boost safety and rests of the community, and due to this University contribution for the community development has found to be a significant factor.

RECOMMENDATIONS

On the basis of this study findings, discussion and conclusion the following recommendations have been forwarded:

• In terms of employment opportunity the university should look into the needs to find a means to increase the employment opportunities for the community by providing job opportunities and open the door for the job seekers.

• The University should increase the security ensuring engagement to the community, by deputing its own security personnel, to work in the community to promote the safety of the community and the university need to work intensively in promoting non-violence by creating awareness and conducting meeting with the community which will enhance as well as need to make sure the prevalence of better peace and security in the community.

• The university should continue giving priority to its healthcare service delivery by building additional hospitals or dispensaries in the community, and need to address much more on its pharmaceutical services by opening medical shops in all the areas of the community; this will make sure people to maintain proper health in the community which in return serves as a stepping stone in bringing a massive health-care for the community.

• The university needs to donate more teaching-learning materials like, computers, chairs, chalk, desks, books and other necessary materials to the schools which are set up in the community, and also build new school blocks with proper infrastructure facilities which are required to enhance education in the communities. In addition to that, the WSU need to add more on the provision of apprenticeship programs and training and development to the local people better than it used to give.

• The university should extensively engage itself in awareness creation on how the communities need

to protect and clean the environment while they are getting additional benefit by decomposing the wastages. And moreover the university need to encourage afforestation as leads to minimization of air pollution.

SCOPE FOR FURTHER RESEARCH

The study focused on the impact of Corporate Social Responsibility (CSR) on Community Development and it is recommended that a similar study can be replicated in other parts of India as well as in other areas like manufacturing, agriculture and service sectors. Furthermore, since this research considered six CSR variables there could be many other variables like, encouraging entrepreneurship, provision of legal service etc. so in order to improve on this, it is suggested that future research needs to include these extraneous variables to bring better findings. Hence, by adding the excluded variable further research can be conducted.

REFERENCES

[1] Abdul Hamid, Yusuf. (2013). Assessment on CSR Practices and Determinants: A Comparative Study Conducted in Addis Ababa Tannery and Awash Tannery.

[2] Adeyanju, Olanrewaju. D. (2012). An assessment of the impact of corporate social responsibility on Nigerian society: The examples of banking and communication industries. Universal *Journal of Marketing and Business Research Vol. 1(1) pp. 017-043, May, 2012.*

[3] Alexander, Asumah. (2015). "The effect of corporate Social Responsibility on Community Development: A study on Anglo gold Ashanti, Obuasi mine".

[4] Ahmad, A. Abubakar.etal. (2017). Impact of Corporate Social Responsibility on Profitability of Quoted Food and Beverages Companies in Nigeria. *Research Journal of Finance and Accounting ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online) Vol.8, No.20, 2017.*

[5] Aisha, Mirghani.,Shibeika. (2015). the Impact of Internal Corporate Social Responsibility on Job Satisfaction within the Banking Sector in Sudan Khartoum University. *Journal of Management Studies School of Management Studies.Vol.9, Issue1, 2015.*

[6] Baker, Mallen, (2010), .Corporate Social Responsibility - What does it mean? Available on http://www.mallenbaker.net/csr/definition.php on 10 January 2019.

[7] Baker, M. (2011). Corporate Social Responsibility, *[Online] Available Balfak Publisher.*

[8] Bashiru A. (2014). Corporate Social Responsibility and Sustainable Local Development: A case study of European Small and Medium Enterprises (SMEs) in Kenyan Agribusiness.

[9] Dorius, N. (2011). Measuring community development outcomes: In search of an analytical framework. *Economic Development Quarterly, 25, 267–276.*

[10] Falck, O. & Heblich, S. (2007). Corporate Social Responsibility: Doing Well by Doing God, *Business Horizons, 50,247-254*

[11] Francis, Ofunya. A. (2015). Drivers for Participation in Corporate Social Responsibility by Commercial Banks in Kenya: Industrial Engineering. *ISSN 2224-6096 (Paper) ISSN 2225-0581 (online) Vol.5, No.5, 2015.*

[12] Flavianus B. Ng'eni. (2015). The Role of Corporate Social Responsibility (CSR) in Community Development in Tanzania: *American Journal of Economics 2015, 5(6): 609-615 DOI: 10.5923/j.economics.20150506.06.*

[13] Mallen, B. (2012). Corporate Social Responsibility, Health and Safety - reframed as a term of abuse, mallenbaker.net.

[14] Mehran, Nejati, et al. (2011). Corporate social responsibility and universities: A study of top 10 world universities' websites. *African Journal of Business Management Vol. 5(2), pp. 440-447, 18 January, 2011*

[15] Muhammad, M. (2014).Impact of Corporate Social Responsibility on Corporate Financial Performance Research on Humanities and Social Sciences. *ISSN (Paper) 2224-5766 ISSN (Online) 2225-0484 (Online) Vol.4, No.14, 2017*

[16] Odetayo, T.A, Adeyemi, A. Z, and Sajuyigbe, A. S. (2014). Impact of Corporate Social Responsibility on Profitability of Nigerian Banks, *International Journal of Academic Research in Business and Social Sciences, vol. 4, No.8, pp. 15-25.*