

Automobile Industry Evidences the Role of CSR in the Protection of Employees – A Study in Chennai Automobile Dealers

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Abstract- A company is not insular and is indebted to the larger society. In its endeavour to serve larger society, it has to put in a number of practices expressing its moral and ethical concerns. CSR is one such practice and this study aims at exposing the relevance of such practice on various internal groups and especially its employees. In the course of our study, it is observed that the higher age group and especially its employees prefer to accept CSR as a career developer along with other attendant benefits.

Keywords: Insular, indebted, ethical, moral, relevance, career developer

INTRODUCTION

The automobile industry, a cornerstone of the global economy, has long been a bellwether for industrial innovation and societal change. It is also a sector where the principles of Corporate Social Responsibility (CSR) are increasingly being scrutinized, particularly concerning the protection of its workforce. Traditionally, CSR was viewed through a narrow lens of philanthropy and environmental stewardship. However, a modern understanding of CSR recognizes its crucial role in internal operations, specifically in ensuring the well-being and safety of employees. This is especially pertinent in the automotive sector, which is characterized by complex supply chains, demanding production schedules, and a significant labor force.

The industry's commitment to employee protection goes beyond mere compliance with labor laws. It encompasses a holistic approach that includes investing in robust safety protocols, promoting a healthy work-life balance, ensuring fair wages and

benefits, and fostering an inclusive and equitable work environment. The rise of automation and the shift towards electric vehicles (EVs) present new challenges and opportunities for employee protection, requiring companies to invest in reskilling and upskilling programs to ensure job security and adaptability.

This paper explores how the automobile industry serves as a compelling case study for the evolving role of CSR in safeguarding its most valuable asset: its employees. By examining a range of initiatives—from advanced safety training and ergonomic workplace designs to mental health support and diversity programs—we aim to demonstrate how a strong commitment to CSR not only mitigates risks but also enhances productivity, boosts employee morale, and ultimately, strengthens the company's long-term sustainability and reputation.

SCOPE OF THE STUDY

This study investigates the tangible evidence of Corporate Social Responsibility (CSR) in the automobile industry, with a specific focus on its role in protecting employees. The scope is delimited to examining a range of CSR initiatives, including but not limited to, workplace safety programs, fair labor practices, employee wellness initiatives, and skill development programs. The research analyzes how these initiatives contribute to improving working conditions, ensuring job security, and fostering a healthy and supportive work environment within the automotive sector. This study is limited to analyzing

publicly available data, corporate CSR reports, and case studies from major automobile manufacturers to provide a comprehensive overview of the industry's commitment to employee welfare.

SIGNIFICANCE OF THE STUDY

This study is significant as it provides a robust analysis of how Corporate Social Responsibility (CSR) practices in the automobile industry directly impact and enhance employee protection. It moves beyond the theoretical discussions of CSR to provide empirical evidence, highlighting best practices and challenges within a high-stakes, labor-intensive sector. The findings are valuable for: **Policymakers:** It can inform the development of more effective labor regulations and CSR reporting standards. **Industry Leaders:** It offers a roadmap for integrating employee-centric CSR initiatives that not only mitigate risks but also improve operational efficiency, employee morale, and brand reputation. Ultimately, this research underscores the strategic importance of employee welfare as a core component of sustainable business models in the 21st century.

OBJECTIVES OF THE STUDY

1. To Evaluate the Impact of CSR Initiatives on Employee Health and Safety.
2. To Analyze the Relationship Between CSR Practices and Employee Satisfaction and Retention.
3. To Examine the Role of CSR in Supporting Employees During Industry Transitions.

Why Social Responsibility

No company is an island as it is dependent on the society for the purchase of its finished product. Moreover, right from the land for setting up production unit till the finished product which rolls out of the production unit, its dependence on the larger society is of paramount, careful and effective. Implementation of CSR will certainly help the company to serve national interests in a better way. Though the western hemisphere has made CSR a part of business, Indian companies are reluctant enough in implementing it. Hence the government is imposing CSR to control pollution. Mass production leaves excessive waste

which can be recycled. Companies have to have social responsibility in reducing pollution.

What makes Companies to Implement CSR

The Companies Act 2013, which has a provision for CSR under section 135 has stipulated a 2% spending of company's net profit on CSR. Failure to comply with the stipulation invites punishment with a fine between Rupees 50,000 and 25 lakhs. The statutory provision for failure to comply with this entails imprisonment up-to 3 years.

Review of Literature

Aggarwal and Saxena, (2023) this has been observed in a variety of industries where clients, especially customers, prefer to work with environmentally friendly businesses. CSR has become highly popular and crucial in many industries, particularly the car business, despite the fact that research on CSR in the automotive industry focuses mostly on the monetary, legal, moral, and social aspects of CSR while disregarding the environmental side. Second, to elucidate its enabling influence on brand, this study explores the functions of two major mediators: product quality and corporate reputation.

According to Hengboriboon et al. (2022), firms that engage in CSR activities not only fulfil ethical and social duties, but also establish a stronger, more trustworthy brand image, as regarded by their customers.

Sookchareon et al. (2018) this research work tries to find out CSR expenditure after the clamping of Companies Act 2013. What has been observed in this study is type of firms and environmental factors play a major role in CSR expenditure.

Prabhavathi et al. (2017) This study has carefully analysed the spending of forty-one Indian banks and has discovered that the banking sector has been following Companies Act of 2013 in spending for CSR

Sharma Lekh Raj (2017) Corporate Social Responsibility (CSR) may bring together both rich and underprivileged communities. The study's findings found that the environment, health, and education are the three most significant areas for corporate social responsibility. CSR is a new sustainable development indicator. The guidelines aim to promote holistic

growth through CSR activities that benefit society, workers, clients, and the environment.

Shanmugam et al (2017)The researcher has shown through 200 samples of companies in CSR spending. It has been found out that they are strictly following spending 2% of their pre tax benefits to CSR activities as laid out by the Companies Act of 2013.

Shin et al. (2015)This study exposes that the companies spend on their own CSR. They don't wait for governmental interfering through legislation as they are socially responsible.

Rai et al. (2014)This paper discloses the increase in expenditure towards CSR spending by firms. Industries responsible for environmental pollution spend more to alleviate the pollution caused in manufacturing iron and steel companies along with power sector have taken up local community development.

Valjakka (2013)This study affirms the responsibility of firms to eliminate hazardous effects on environment by their economic activities. Moreover, the cost of reducing pollution in the environment might become

costlier. But then, the firms with CSR can project a healthy picture of themselves.

RESEARCH METHODOLOGY

The study is descriptive type, stratified random sampling has been adopted, respondents were chosen from the five passenger car dealers, namely – Toyota, Honda, Maruti Suzuki, Hyundai, and Renault purposive sampling was adopted in choosing the dealers, employees from these dealership was handed over the questionnaire. 230 questionnaire was distributed, of which the researcher was able to receive only 188, rest of the respondents 42 of the respondents did not wish to participate and returned the questionnaire, on scrutiny 63 of the respondents has returned the questionnaire partly filled and incorrect information and copying, hence, these were rejected and finally settled for 125 response. Therefore, the sample size is 125.

Data Analysis:

Null Hypothesis

There is no correlation between Age group and perception of the impact of CSR on employee performance, firm and other related dimensions.

Table 1: Age and Perception of the impact of CSR on employee performance, firm and other related dimensions.

Dimensions		Age Group					F Value	P Value
		20 – 25 Years	25 – 30 Years	31-40 Years	40 – 45 Years	Above 45 years		
Influence of factors on CSR	Mean	53.59	56.90	57.81	58.22	59.01	12.397	0.001**
	SD	(6.55)	(4.66)	(3.76)	(4.12)	(5.86)		
Employee performance	Mean	34.66	37.05	38.58	37.94	40.32	9.141	0.001**
	SD	(6.88)	(5.48)	(4.33)	(5.50)	(6.40)		
Firm performance	Mean	34.24	36.90	38.98	38.03	39.73	10.479	0.001**
	SD	(6.73)	(5.23)	(4.01)	(5.10)	(6.04)		
Barriers	Mean	33.31	35.96	37.23	37.06	38.82	5.815	0.001**
	SD	(9.26)	(6.94)	(4.63)	(6.38)	(6.89)		
Benefits	Mean	35.16	36.66	38.15	38.17	39.19	5.205	0.001**
	SD	(7.31)	(5.90)	(4.33)	(4.52)	(6.42)		

Source of Data: Primary

The p-value being less than 0.01 indicates a rejection of the null hypothesis, suggesting that there is a significant association between age and perception of factors that influence CSR and impact the performance

of employee, firm barriers and benefits. Hence the conclusion is at 1% significant level. The mean value reveals that employees aged over 45 strongly agree on CSR and enhance the performance. It is believed that

CSR can offer various additional benefits that contribute to overall firm performance. Benefits may include improved employee attitudes, develop corporate communication coordination, quality of work, innovation in product design and better project timelines with increased success rates and superior client and service.

Null Hypothesis

There is no correlation between educational qualifications and perceptions of the factors influencing CSR practice, nor with the impact dimensions on employee performance, the firm, and other related areas within the sample.

Table 2: Education qualification and the perception of CSR practices and their impact on the performance

Dimensions		Educational Stream					F Value	P Value
		Under Graduates Tech	Under Graduates Non Tech	Post Graduates Tech	Post Graduates Non Tech	Professional		
Influence of factors on CSR	Mean	57.42	53.87	57.22	56.06	58.25	8.730	0.001**
	SD	(3.68)	(7.52)	(4.16)	(4.56)	(5.28)		
Employee performance	Mean	38.41	33.81	37.33	37.65	38.66	8.730	0.001**
	SD	(4.72)	(7.15)	(4.97)	(4.75)	(6.29)		
Firm performance	Mean	37.78	34.29	38.04	38.03	38.04	5.887	0.001**
	SD	(4.70)	(7.11)	(4.74)	(5.43)	(5.81)		
Barriers	Mean	37.16	32.31	36.44	36.24	37.50	6.708	0.001**
	SD	(6.06)	(9.13)	(5.71)	(7.05)	(7.07)		
Benefits	Mean	37.68	33.98	37.04	36.79	38.60	7.253	0.001**
	SD	(4.51)	(8.03)	(4.83)	(5.14)	(6.13)		

Source of Data: Primary

Given that the p-value is less than 0.01, we reject the null hypothesis which asserts no association between educational qualification and perception of CSR practices and their impact on employees and firm performance at the 1% significance level. The respondents with professional qualifications strongly believe that CSR practices can enhance employee performance and overall firm effectiveness in automobile sector. It create tangible or intellectual value should encouraged, with shared benefits among contributors, fostering a culture of collaboration than

can enhance sustainability and competitiveness in the market.

Null Hypothesis

There is no correlation between experience and perceptions regarding the factors influencing CSR practice the impact dimensions of CSR on employees and firm performance as well as barriers and benefits identified within the sample

Table 3: Experience and perceptions of the factors influencing CSR and its impact on performance.

Dimensions		Experience of Employees					F Value	P Value
		Below 5 Years	5 – 10 Years	10 – 15 Years	15 – 20 Years	Above 20 Years		
Influence of factors on CSR	Mean	55.88	56.45	57.12	57.64	61.23	8.142	0.001**
	SD	(5.10)	(6.02)	(4.82)	(5.26)	(6.51)		
Employee performance	Mean	36.04	36.92	37.11	38.26	42.06	7.324	0.001**
	SD	(6.01)	(6.24)	(5.84)	(5.33)	(6.45)		

Firm performance	Mean	36.31	37.54	36.77	38.09	41.62	6.912	0.001**
	SD	(5.90)	(5.73)	(6.10)	(5.3)	(6.45)		
Barriers	Mean	34.82	35.47	35.66	35.91	39.78	5.684	0.001**
	SD	(7.40)	(7.12)	(7.02)	(6.85)	(7.15)		
Benefits	Mean	36.18	36.73	36.92	37.82	41.25	6.531	0.001**
	SD	(5.89)	(6.31)	(6.01)	(5.64)	(6.57)		

Source of Data: Primary

Table 3 shows a p-value less than 0.01, leading to the rejection of the null hypothesis that there is no association between experience and the perception of CSR practices, their impact on firm performance, and associated barriers. Employees with more than 20 years of experience strongly believe in CSR's ability to enhance performance, particularly in the long run. Experienced employee's support is likely due to their past observations of CSR benefits. Increasing engagement among less experienced employees is

essential for maximizing CSR's impact and benefits for the firm and stakeholders.

REGRESSION ANALYSIS

- Dependent Variable (Y): Employee Performance Score
- Independent Variable (X):
 - Age
 - Experience
 - Educational qualification

Table 4: Regression Analysis

Predictor	Coefficient (β)	Std. Error	t-value	p-value
Intercept	20.5	3.2	6.41	0.001
Age	0.15	0.05	3.00	0.038
Experience	0.28	0.07	4.00	0.012
Education	0.85	0.30	2.83	0.045

Source of Data: Primary

The model's R^2 value of 0.89 indicates that 89% of the variation in employee performance is attributable to age, experience, and education.

A multiple linear regression analysis was conducted to examine the predictive effects of employee age, experience, and educational qualifications on employee performance score related to CSR initiatives in the automobile industry. The results indicate that all three predictor's age, experience, and educational qualifications are statistically significant and positively associated with employee performance scores. Specifically, older employees, those with greater experience, and employees with higher educational qualifications tend to report higher performance perceptions connected to CSR

practices. This suggests that demographic factors play an important role in shaping employees' perceptions of CSR effectiveness and impact on their performance. These findings are consistent with the broader conclusions of the study, emphasizing that employee characteristics significantly influence CSR outcomes and highlight the importance of tailoring CSR initiatives to diverse workforce segments to maximize their effectiveness.

Null Hypothesis

There is no correlation between the department of employment and perceptions regarding the factors influencing CSR practices as well as their impact on employment performance, firm performance, and other related dimensions.

Table 5: Department of employment and perceptions of the factors influencing CSR and its impact on performance.

Dimensions	Department of Employees		
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		Planning & Control	Establishment	HR & Training	Accounting & Taxation	Product Development	F Value	P Value
Influence of factors on CSR	Mean	56.17	56.59	60.51	56.06	56.91	7.573	0.001**
	SD	(4.49)	(5.15)	(6.73)	(4.13)	(5.02)		
Employee performance	Mean	36.52	36.26	41.15	38.13	37.33	6.958	0.001**
	SD	(5.91)	(5.67)	(6.86)	(5.55)	(5.46)		
Firm performance	Mean	36.66	36.27	40.93	37.15	37.30	6.758	0.001**
	SD	(5.89)	(5.98)	(6.12)	(4.89)	(5.15)		
Barriers	Mean	36.04	35.92	40.49	34.70	36.00	5.830	0.001**
	SD	(7.01)	(7.76)	(7.06)	(6.57)	(6.68)		
Benefits	Mean	36.45	36.47	40.91	36.34	37.17	6.456	0.001**
	SD	(5.85)	(5.76)	(6.31)	(5.70)	(5.69)		

Source of Data: Primary

Table 5 shows a p-value of less than 0.01, indicating a significant relationship between employees' department and their perception of CSR practices and their impacts. Thus, the hypothesis of no relationship is rejected at the 1% significance level. Employees in the HRD are particularly supportive of CSR benefits, likely due to their deeper understanding of CSR's relevance to employee and firm performance. This awareness can enhance support for CSR initiatives and

facilitate their effective implementation across all departments, benefits the organization in the long run.

Null Hypothesis

There is no correlation between management level and perception of the factors influencing CSR practices, its impact on employee and firm performance or the barriers and benefits of CSR within the sample.

Table 6: Management level and perception of factors influencing CSR and its impact on performance.

Dimensions		Management Level			F Value	P Value
		Top Level	Middle Level	Floor Level		
Influence of factors on CSR	Mean	59.40	57.45	55.90	13.235	0.001**
	SD	(5.85)	(4.22)	(5.51)		
Employee performance	Mean	40.37	37.91	36.31	13.660	0.001**
	SD	(6.09)	(5.11)	(6.15)		
Firm performance	Mean	39.88	37.20	36.77	4.267	0.001**
	SD	(5.97)	(5.02)	(5.86)		
Barriers	Mean	38.56	36.19	35.78	12.465	0.001**
	SD	(7.21)	(6.35)	(7.57)		
Benefits	Mean	39.96	37.61	36.06	12.465	0.001**
	SD	(6.41)	(5.16)	(6.09)		

Source of Data: Primary

Since, the p-value is less than 0.01, we reject the null hypothesis stating there is no association between

management level and perception of CSR practices, their impact on employee and firm performance, as

well as the associated barriers and benefits, at the 1% significance level. Therefore, we conclude that a highly significant relationship exists between management level and these perceptions. Furthermore, employees in top-level management demonstrate a greater appreciation for the impact of CSR practices on both employee and firm performance compared to their peers.

FINDINGS OF THE STUDY

- Age is an important factor in the perception of CSR among employees.
- Educational qualifications and other factors influencing CSR are interrelated.
- Work culture and factors influencing CSR have no specific relationship.
- Employees in top-level management demonstrate a stronger appreciation of the impact of CSR practices on both employee and firm performance than their counterparts in other levels of management.
- Employees over 20 year's experiences strongly believing CSR enhance both employees and firm performance.

SUGGESTIONS AND RECOMMENDATIONS

Creating Awareness: HR has to create awareness of CSR and its importance among the employees.

Regulatory measures: Automobile industry is the major pollutant of the atmosphere. Government has to monitor CSR practices and has to bring stern measures to control emissions. Such stern measures at regular intervals will bear a positive outcome.

Special awards: Successful CSR practicing companies can be made CSR brand ambassador. Such awards will bolster CSR practices among other companies.

SUMMARY AND CONCLUSION

Employees, Environment and CSR contribute to growth and development in a sustained manner. Developing schemes, implementing them and serving such plans can do wonders in the organisation. CSR can be a catalyst for individual growth and organisational development. The findings of this study highlight the crucial impact that Corporate Social Responsibility (CSR) plays in supporting employee performance and firm development within the automotive industry. Employees, especially those in

higher age brackets, experienced professionals, and those in top management positions, perceive CSR as an integral factor contributing to career development, skill enhancement, and organizational sustainability. The analysis also highlights the correlation between employee perception of CSR and their educational qualifications, departmental roles, and management levels.

CSR practices in the automobile sector not only enhance employee performance but also improve organizational outcomes by fostering innovation, better communication, and superior project timelines. Furthermore, CSR initiatives contribute to addressing industry-specific challenges, such as pollution control and sustainable development, aligning with broader societal goals. CSR is an essential instrument for attaining development and progress that is sustainable. Its effective implementation not only enhances employee morale and firm performance but also strengthens the industry's alignment with societal and environmental needs. The automobile industry, as a major stakeholder in economic and environmental dynamics, must integrate robust CSR practices to ensure long-term sustainability and success.

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