

A Comparative Study of CSR Practices of Employees Working in Public and Private Sector Organizations

Ankita Jain

Research Scholar, Faculty of
Management Studies
Janardan Rai Nagar Rajasthan
Vidyapeeth University, Udaipur

Prof. (Dr.) Rajeev Jain

Dean and Head
Faculty of Commerce and Management
University of Kota, Rajasthan

Abstract

Corporate Social Responsibility as a concept has become very important in business reporting. Corporate socially responsibility has drastically transformed corporate entities of the twenty-first century in the way they conduct their business practices and function in the social environment where they operate. Corporate social responsibility covers the broad areas of responsibilities corporations have to the societies within which they operate. Thus it is increasingly important that businesses of all sizes develop and improve their corporate social responsibility (CSR) programs. This research paper moves around a comparative study of CSR Practices of employees working in public and private sector organizations.

Keywords:

Corporate Social Responsibility, CSR, Stakeholders

Introduction

Winston Churchill once quoted- “*Responsibility is the Price of Greatness*”. This quote is apt for describing the value of CSR. Understanding CSR is important because it represents nothing less than an attempt to define the future of our society. CSR, corporate responsibility, corporate citizenship, and sustainability all matter because they influence all aspects of business. Although the term corporate social responsibility (CSR) is still generally used today, related concepts such as business ethics, corporate citizenship, and corporate social performance are competing to replace it (Carroll & Shabana, 2010). CSR concept focuses on corporate self-regulation mainly associated with ethical issues, human rights, health and safety, environmental protection, social and environmental reporting, and voluntary initiatives involving support for community projects and philanthropy.

Corporate Social Responsibility- Definition and Concept

There are several definitions of CSR. Some of the most popular ones are:

The World Business Council for Sustainable Development (WBCSD)

defines CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workers and their families as well as of the local community and society at large (WBCSD, 2012).

Carroll defines social responsibility of business as encompassing the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979).

The most apt definition of CSR is given by Archie Carroll in 1979. The four dimensions of CSR—defined by Carroll as economic, legal, ethical, and philanthropic—address the incentives for initiatives that are useful in identifying specific kinds of benefits that flow back to companies, as well as society, in their fulfillment of CSR activities.

Literature Review

Belu and Manescu (2012) in their paper “Strategic corporate social responsibility and economic performance” studied the usefulness of the DEA methodology in constructing meaningful CSR indexes by addressing a particular instance in which its contribution can be substantial, i.e. measuring strategic CSR.

Tang (2012) in his study “Media discourse of corporate social responsibility in China: a content analysis of newspapers” of leading Chinese newspapers offers an initial peek into the country's news coverage of CSR. Corporate social responsibility (CSR) in China is an issue of global concern. China's business sector has been facing criticisms both at home and abroad for its unsatisfactory records on environmental conservation, business transparency, labor conditions, and product safety. Media coverage of CSR sets the agendas for the corporations, by raising awareness about CSR issues and selectively emphasizing certain aspects of CSR.

“The contribution of corporate social responsibility to organizational commitment”- Stephen Brammer, Andrew Millington & Bruce Rayton (October, 2007) study investigates the relationship between organizational commitment and employee perceptions of corporate social responsibility (CSR) within a model that draws on social identity theory. Brammer, Millington and Rayton (2007) examine the impact of three aspects of socially responsible behaviour on organizational commitment: employee perceptions of corporate social responsibility in the community, procedural justice in the organization and the provision of employee training.

Objectives

- To study the views of employees of public sector companies regarding different dimensions of CSR practices.
- To study the views of employees of private sector companies regarding different dimensions of CSR practices.
- To compare the views of employees of public and private sector companies.

Hypotheses

There is no significant difference in the views of public and private sector employees regarding different dimensions of CSR practices.

Sample:

The five public sector and private sector were selected. Five employees were selected randomly from each company. The names of the companies are as follows:

Public Sector	Private Sector
Rajasthan State Mines and Minerals Ltd.	Hindustan Zinc Ltd.
Rajasthan Financial Corporation Ltd.	Miraj Group
Rajasthan Rajya Vidyut Utpadan Nigam Ltd.	Western Drug Pvt. Ltd.
Rajasthan Housing Board Ltd.	Pesticide India Ltd.
Rajasthan State Road Transport Corporation	Choksi Herious Pvt. Ltd.

Research Tool

Self-made Questionnaire which had 20 questions from Human Resource Policies, Environmental Policies, Market Policies, Societal Policies, Company Values aspects of CSR was administered.

Method of Data Collection

Employees were contacted at their respective places and

after rapport establishment questionnaire was administered among them.

Analysis of Results

It deals with the analysis of results of Responses of Company Executives through 'T' test.

Table A shows comparison of views of employees of Public and Private Sector Companies on dimensions of CSR.

Table A

Comparing Views of Employees of Public and Private Sector Companies on dimensions of CSR

Dimensions of CSR	Type of Sector	N	Mean	Std. Deviation	Mean Diff	t	p value
Human Resource Policies	Public Sector	25	19.28	2.923	5.640	7.397	.000
	Private Sector	25	13.64	2.447			
Environmental Policies	Public Sector	25	31.84	3.727	10.160	9.244	.000
	Private Sector	25	21.68	4.039			
Market Policies	Public Sector	25	19.60	2.291	5.760	8.472	.000
	Private Sector	25	13.84	2.511			
Societal Policies	Public Sector	25	20.04	2.423	6.560	9.198	.000
	Private Sector	25	13.48	2.616			
Company Value	Public Sector	25	20.12	2.315	6.480	9.547	.000
	Private Sector	25	13.64	2.481			

The mean scores of employees of public sector companies on human resource policies of corporate social responsibility is found to be 19.28 and for private sector employees it is found to be 13.64. The 'T' score is found to be 7.397 which is significant at 0.01 level. It infers that there is

significant difference between human resource policies of corporate social responsibilities of public sector and private sector companies.

The mean scores of employees of public sector companies

on environmental policies of corporate social responsibility is found to be 31.84 and for private sector employees it is found to be 21.68. The 'T' score is found to be 9.244 which is significant at 0.01 level. It infers that there is significant difference between environmental policies of corporate social responsibilities of public sector and private sector companies.

The mean scores of employees of public sector companies on market policies of corporate social responsibility is found to be 19.60 and for private sector employees it is found to be 13.84. The 'T' score is found to be 8.472 which is significant at 0.01 level. It infers that there is significant difference between market policies of corporate social responsibilities of public sector and private sector companies.

The mean scores of employees of public sector companies on societal policies of corporate social responsibility is found to be 20.04 and for private sector employees it is found to be 13.48. The 'T' score is found to be 9.198 which is significant at 0.01 level. It infers that there is significant difference between societal policies of corporate social responsibilities of public sector and private sector companies.

The mean scores of employees of public sector companies on company values of corporate social responsibility are found to be 20.12 and for private sector employees it is found to be 13.64. The 'T' score is found to be 9.547 which is significant at 0.01 level. It infers that there is significant difference between company values of corporate social responsibilities of public sector and private sector companies.

Interpretation

Human Resource Policies – Public sector employees are constantly encouraged to develop skills and long term career. Public companies are actively encouraged in arranging for the health, safety and welfare of their employees. Public companies consult their employees in all important issues.

Environmental Policies – Public companies have advantage over its competitors due to sustainable environmental practices. Public companies increasing take steps for protection of natural environment.

Market Policies – Public companies have a policy to ensure honest and quality in all its contracts, dealings and advertising. Public companies have far more effective feedback mechanisms.

Societal Policies – Public companies offers various educational and training facilities to the local community. Employees of public company are always encouraged to involve with local community.

Company Values – Public companies train its employees on the importance of values and rules of conducts.

Hypotheses Testing

On the basis of the results the hypotheses

- “There is no significant difference in the views of public and private sector employees regarding different dimensions of CSR practices”- is rejected.

Conclusion

- Employees not only want but demand their company to be socially responsible.
- It creates competitive immunity and makes the business more sustainable in the long-term.

Recommendations of Study

The proposed work is the first of its kind which will do a comparative study of the CSR Practices of employees working in public and private sector organisations. Few researches have been done linking Corporate Social Responsibility with organizational performance correlating CSR with financial performance, but the proposed work will be first of its kind to examine and compare the Corporate Social Responsibility practices of employees' working in public and private sector organisations.

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