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“Inclusion of Corporate Social Responsibility Activities in the Academic Fraternity: A critical analysis”

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Abstract: Corporate Social Responsibility is made mandatory by Indian Companies Act 2013 in companies with more than Rs500 crore net worth. However, many organizations are still considering it as a voluntary practice. The fact is, its effective practice is still questionable in professional organizations. The paper highlights the role of academic institutions not yet under CSR canopy, in adopting social responsibility as regular practice & to find out the extent to which CSR practices are followed by these institutions in Mumbai. The paper proposes “Educational Social Responsibility” (ESR) as the new term giving meaning to community services in academic institutions.

Key words: Corporate Social Responsibility, Educational Social Responsibility, ESR, Ethics, Academic Institutions

Overview: Companies in the coming years’ experience as many threats as opportunities to grow & expand. On one hand the economic & environmental factors like BREXIT (2016), visa policies in the USA (2017) & scarcity of the factors of production affects the functioning of the companies in many ways. Adding that, social factors like lack of skilled staff, negligent attitude of many employers towards the stake holders have impacted the national growth to a large extent. Implementation of the CSR rules in the year 2014 by the Ministry of Corporate Affairs has changed the way companies view the business. Indian businesses have begun realizing the

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need of social & environmental performance in addition to the financial performance globally. India, with this, has also become the first among the countries to mandate the CSR activities. The year 2016 brought many initiatives by the companies & Indian Government, to execute social responsibility practices. What earlier was a voluntary practice, now has become a mandatory practice. On the contrary, there is still a question on the execution of these practices & shelling out 2 % (as per the section 135 in Companies Act 2013) of the revenue on CSR. One way where many companies have shown interest in community services, there are companies who have not yet adopted these policies in practice. India is formed with two different categories of industry: organized & unorganized sector. A recent research has found that out of the 100 listed companies 8 % have failed to disclose their details regarding CSR activities. 5 companies failed to show their CSR policy available on the website (KPMG report, 2016). Research also highlights that 42 % companies have not provided CSR details in the prescribed format & 52 % have not included the details in the directors' report.

It's being observed that social responsibility is appreciated & executed by the corporate industry, however successful documentation & implementation still is in its nascent stage & require time to come on track from the people concerned.

CSR activities are actually a commitment by the business to improve & develop the economical & social status of the people concerned. It also directly focuses upon raising the environmental issues & reducing the impact of the same to a large extent. *When all other sectors are inclined towards implementing these social activities, educational institutions are not left behind.* In order to sustain in increasing competitive world, it becomes very critical for this sector to adopt corporate strategies like CSR as one. As per schedule –VII of company bill 2012), Educational promotion was considered as a CSR policy. The major beneficiary of this was the academic institutions. However, with the elevating privatization of the educational institutes, competition has made even more serious impact on the existence of many institutes & colleges (Gumport, 2000).



Understanding CSR:-Corporate Social Responsibility can be explained as an ethical practice by the corporates in different locations to serve the society of the locals in order to sustain in the competitive world. The World Business Council for Sustainable Development (WBCSD) defines CSR as, “The continuous commitment by the business organization to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”

Diagram 1.1
CSR Overview



Source: Overview of Corporate Social Responsibility Presentation by : S. Ravi, FCA

Defining CSR: -Corporate Social Responsibility has been expressed in a variety of ways. It is more about the ethical behaviour of the company. According to European



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Union“CSR is a concept whereby companies integrate social & environmental concerns in their business operations& in their interaction with their stakeholders on a voluntary basis”.

Robertson & Nicholson (1996) has viewed “A certain amount of rhetoric may be inevitable in the area of social responsibility.Managers may even believe that making statements about social responsibility insulates the firm from the necessity of taking socially responsible action.

Review of Literature:CSR has been studied by many researchers & academicians & has been associated with ethical behaviour of the corporations in a number of ways. Researchers have defined CSR in their own ways, however there has not been a systematic definition of CSR. The very first use of the term was seen in 1950s in the USA & then it became a predominant term as with the increase in social & economic issues & a steep downfall in the dollar prices, corporations begun realizing the significance of CSR practices. It has been viewed as a contribution to the well-being of the society (Smith,2007). Valentine and Fleischman (2008) defined CSR as the economic, legal, ethical, and discretionary expectancies that society has of organizations at a given point in time. Carroll in his study (1979) has suggested that business in order to be successful is required to fulfill four main responsibilities:economic, social, ethical & philanthropic, absence of any one of them will result in downfall of the business in the long run.A report from global accounting and consulting firm Grant Thornton noted that CSR activities across the world have increased dramatically in recent years as “businesses realize their value not only commercially, but also in terms of boosting employee value, attracting staff and cutting costs”. CSR activities are judged by the commitment a company is sharing via maintaining its societal relationship with the stakeholders.According to Woody (1991), CSR is reflected in social performance of any company which may be

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evaluated via the social impact & outcomes of its policies & actions. Falck and Helbich (2007) assume that CSR can be applied in a strategic way for satisfying the requirements of each stakeholder. Baron (2007), on the other hand, supported that corporate social responsibility has become a vital part in the business strategy, since the performance of a business organization is affected by their strategies in the market, as well as non-market environments. Thus, companies now have to take into consideration their community practices which they owe to the people & other stakeholders. Corporate Sector has always shared their inclination towards education as one of their CSR activity. As a result, Educational institutions are the major beneficiary from such activities. Academic institutions also play a major role in the upliftment of the nation. Its prime responsibility of educational institutions to engage themselves into community services. H. Kashyap (2014) in his study has focused upon the contribution of educational system towards social services & views that it not only serves & contributes to the welfare but also adopting these practices will increasingly become a long term value proposition for the institution itself.

Rationale of the Study: Corporate Social Responsibility has now become a widely accepted term for various businesses. This goes without apprehension that many businesses either on large scale or small are indulging themselves into social activities. An organizations prime objective of its sustainability is to earn profit. However, its secondary objective is to consider their stakeholders as their assets, provide them the best of returns in terms of services & other facilities. In addition, they have a huge responsibility towards their employees as well. Therefore, companies always focus on getting the best out of their employees via providing them a variety of benefits which form a crucial part of their compensation structure, resulting in employee satisfaction & thereby, increased efficiency to a large extent. In order to achieve this, management at times have to sacrifice other aspects such as impact of over utilization of the resources on the stakeholders. It is because of this

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reason, that organizations strongly felt the need to reduce the impact of the negative influences that arises during the process. Corporate Social Responsibility in its nascent stage was treated as a voluntary practice by the organizations. It can now be seen as a continuous contribution by the organizations towards the upliftment & development of economic condition of the nation. CSR practices have been made mandatory by the Indian government for the organizations whose net worth is more than INR 500 crore .Where the corporate sector has a continuous strive to contribute towards the nation's growth. Educational Institutions should not be left behind. Under the new circumstances such as the globalization, privatization of the education institutions and competition in higher education industry, many higher education institutions are struggling in order to compete and survive in the changing face of the industry (Gumport 2000). CSR to a large extent will help these institutions to sustain their brand image as a part of advance building strategy. Since academic institutions have a direct impact upon the society ,in general, adoption of CSR activities on a regular basis will contribute to obtain true competitive image & a strong positive reputation of the institution. Therefore, **the objective of this paper is to understand the role played by the academic institutions which contribute majorly towards the economic growth & frame the future of the nation. The paper also highlights current practices institutions are adopting via community services in order to contribute directly-indirectly towards economic& social development. The aim is to find out if CSR activities should also be made mandatory for educational institutions considering the revenue they generate & the kind of infrastructure they have to help the needy.** The author with this research work has also made an attempt to introduce the term "*Educational Social Responsibility (ESR)*" as a concept, activities under which may specifically be designed keeping in mind the monetary & other capacity in academic institutions.

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Research Questions:

1. What role educational institutions are playing towards social & economic development
2. Does CSR practice in academic institutions be made mandatory
3. To what extent CSR can be introduced as “ESR” in educational fraternity

Objective of the Study:

- To highlight & understand the role of Academic Institutions in CSR activities
- To analyze current social initiative undertaken by the academic institutions
- To understand the respondents viewpoint towards mandating social responsibility for academic institutions.
- To introduce the term “Educational Social Responsibility (ESR)” via analyzing respondents support.

Research Methodology:

- **Research Design:** The objective of the research is to understand the current practices with relates to CSR by academic institutions & highlight the significance of community services by these institutions. Therefore, Descriptive research design has been applied by the researcher.
- **Data Collection:** *First hand data* (primary data) was collected via survey method. The questionnaire designed by the researcher included the items mix of dichotomous, multiple choice & Likert scale to make it simple & easy to understand for the respondents. The form also collected the demographic details in order to analyze the variation in the responses on the basis of demographic traits.
Secondary data was collected from research paper published, magazines, various books on CSR, newspapers, article to mention a few.



- **Sampling Design:** Simple random sampling has been adopted in the research work in order to give fairly equal chance to the respondents to participate in the study.
- **Tools & Techniques:** Structured questionnaire was designed by the researcher to carry out the survey. The questionnaire designed has a combination of multiple choice questions & statement on Likert scale. Adding that past records of the institutions acted as one of the prime source of information.

Analysis of Data & Findings:

The data was edited, coded & tabulated. It was further analyzed & represented via application of pivot tables & charts. Cronbach alpha test was applied to test the reliability of the data. The output .701 from reliability analysis shows that the data shares a good reliability to carry out the research.

Table 2.1
Demographic Bifurcation of the respondents:

Variable	Particulars	No. s	Percentage
Gender	Male	18	36
	Female	32	64
Marital Status	Unmarried	09	18
	Married	41	82
Age	Less than 30	11	22
	30-40	22	44
	40-50	11	22
	40 & above	06	12



Category of Institution	Post Graduate	37	74
	Under graduate	13	26
Qualification	Masters	37	74
	UG	03	6
	Doctorate	10	20

Source: Data compiled by the researcher

The demographic bifurcation of the respondents shows a majority of the female workforce population. The chart above also depicts the span of the age, the workforce in this industry consists majorly. Majority of the workforce falls in the age criteria of 30-40 which highlights the presence of millennials in the work population. Academics industry, therefore consists of the new generation workforce in addition to the baby boomers. One significant finding, in this context, in the book “The 2020” Workplace” depicted that 80% of the sample of 1800 among the millennial workforce wanted to work with an organization that cares about its contribution to the society. Adding that, the research has covered only post graduate & under-graduate institutions as a part of data collection considering these as some amongst the highest revenue generation institutions in the academic industry. A large number of employees have done their masters & are capable of contributing to the community services.

Reliability Analysis

The voluntary involvement & contribution of the employees is a must to enable an institution to implement its social services & to further increase its effectiveness on the society. Cronbach’s Alpha test was applied to assess the reliability of the



data. Result of reliability analysis of the nine items regarding involvement of the employees to CSR initiative in institutions is .701

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.695	.701	9

Table 2.2

Reliability Analysis

Item Statistics

Items	Mean	Std. Deviation	N
A	1.54	.838	50
B	1.86	1.030	50
C	2.20	.881	50
D	1.80	.782	50
E	2.72	1.070	50
F	3.22	1.360	50
G	2.14	1.010	50
H	2.96	.968	50
J	1.54	.813	50

Source: Data compiled by the researcher

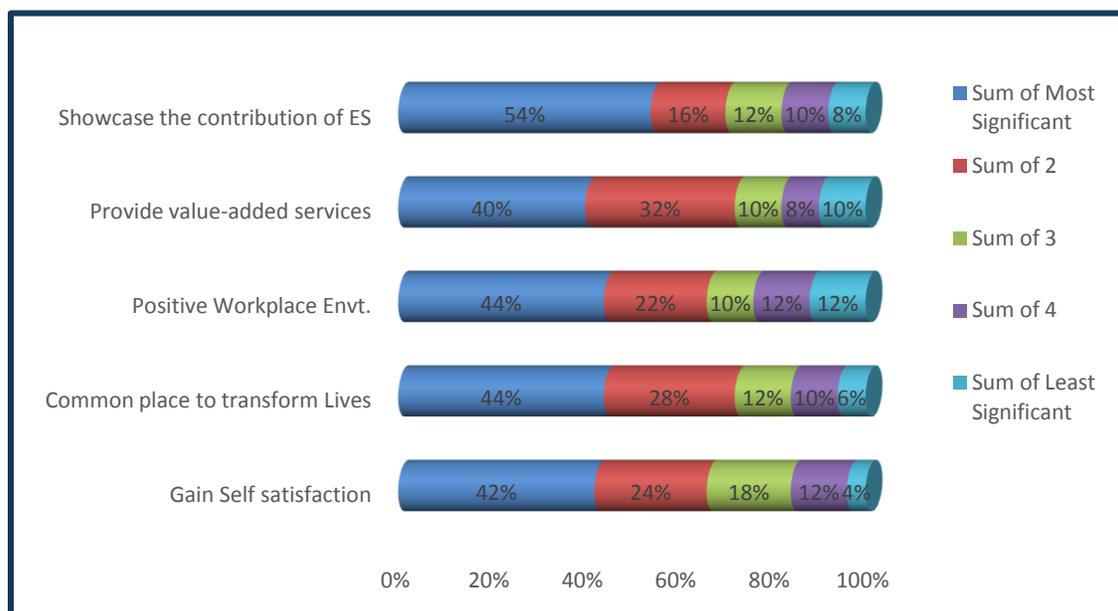


Reasons for adopting CSR activities in the Academic Community

CSR is a voluntary practice among the academic institutions & this provided these institutions their own reasons to carry out community services. An analysis of several reasons was to be carried out during the collection of data. Results showed that 54 % of the respondents contribute to the various social services to showcase their presence in the CSR market & indirectly improving the brand image of the institution. On the other side, 44 % performed these services as education is one of the common way to transform many lives & it helps in building a positive workplace climate. The percentage distribution of preferences among the reasons is depicted in chart no. 2.3

Chart 2.3

Reasons for CSR activities in Institutions



Source: Data compiled by the researcher

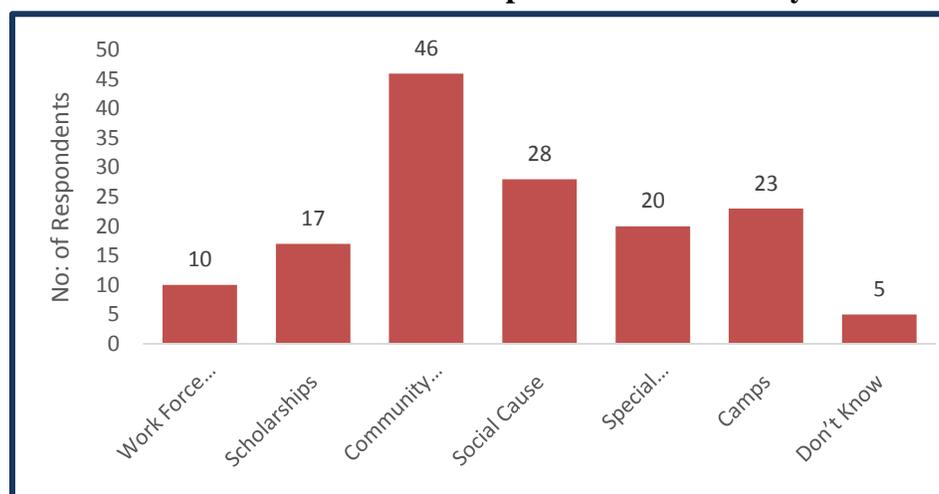


Research Question 1:

What role educational institutions are playing towards social & economic development

To identify the areas of educational institutes contribution towards the social responsiveness. The authors aimed at identifying the solution to the research question. The analysis revealed that educational institutes have been voluntarily practicing & realizing the significance of corporate social responsibility. The analysis revealed that the institutes are comparatively focused upon the community services to a large extent with an objective to improve their presence in the education market. It was also observed that the ultimate aim of such community services is to beat the competition in the market with respect to challenge in admissions in different colleges. Followed this are activities highlighting social cause & organizing camps for students (Graph No.1A)

Graph 1A
Role of Academic Groups in different ways



Source: Data compiled by the researcher



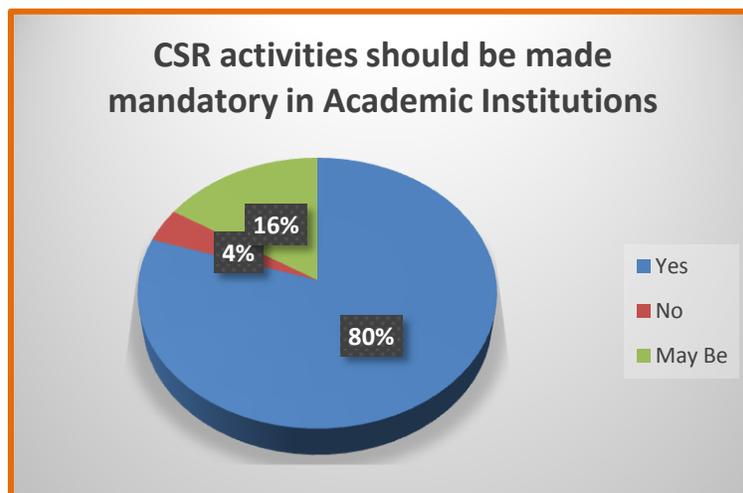
Research Question 2:-

Does CSR practice in academic institutions be made mandatory

It was in the year 2014, when corporate social responsibility was made a mandate for the companies with a turnover of 500 crore to spend 2 % of the total revenue generated in the societal activities. Companies, earlier initiated the activities for the benefit of the society, however it was made a mandate for the corporate sector considering the large amount of revenue generation in these sectors. The education industry being a small-scale industry is exempted from the mandate of such practices. It was shown in the data analysis that 57 % of the educational institutions have engaged themselves only in community services as their social responsibility. It was found that 68 % of the respondents agreed that institutes have enough resources to enable them to carry out any of the social services. Results also revealed that 80 % of the respondents favored making CSR activities in the education sector a mandate & only 20% were against same.

Chart 2A

Mandate of CSR activities in Academic Fraternity



Source: Data compiled by the researcher



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Further, it was analyzed that nearly 40 out of 50 respondents viewed CSR as a critical element towards sustainable development of the institutions.

ESR (Educational Social Responsibility)

The primary objective of this research paper is to highlight the significance of CSR in the education field. The author also has introduced a new term called “Educational Social Responsibility” in this paper to perform a special focus upon social initiative adopted by academic institutions. Analysis of data revealed that 92% respondents were strongly in favor of introducing ESR as a new term that depicts educational institutions’ responsibility towards the society.

Future scope of the study: The research attempted to identify social responsiveness of the academic institutions towards the society at large. Since, it serves as a common platform to bring an impactful difference towards societal growth & development, the author aimed at finding current work practices of professional business schools & undergraduate colleges & their voluntary contribution towards ESR. However, the application of ESR initiatives in all the areas of academics would gain a better clarity upon its significance in societal growth. Further, identifying the financial position of the institutions & ESR contribution in line with the same can be taken as a future scope of the research.

Suggestions & Conclusion: Social responsiveness has been felt since ages & has been made a mandate in the corporate world. The objective of this paper is to throw light upon the increasing inclination of educational institutions towards social responsibility. Though, it is a voluntary practice, author via this research paper revealed that the prime objective of the CSR initiative of these institutions is to boost admissions & improve brand image in the market. It has also been observed that these

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activities are carried out on strategic level without seeking contribution from the employees at large. Therefore, the author feels it as an urgent need to make it a mandatory practice to spend a proportionate amount to social initiatives along with employees' contribution.

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