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**A study on Marketing Challenges and Opportunities of Women Entrepreneurs through Self Help Groups in Saintala Block of Balangir District, Odisha**

**An Analysis of Relationship between the Organizational Culture and Organizational Learning**

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**Digital Finance and Financial Inclusion : A Study on Indian Context**

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**Entrepreneurship Disparity in MSME Sectors: A Concern to Odisha and India**

**Green Marketing and its Influence on Buying Behavior of Consumers: A Case of Odisha**

**Factors Modulating Entrepreneurial Behaviour toward CSR- A Comparative analysis of MCL and NALCO**

**SCHOOL OF COMMERCE**

Gangadhar Meher University, Amruta Vihar,  
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## **PERCEPTION OF CONSUMERS TOWARDS CORPORATE SOCIAL RESPONSIBILITY: AN EMPIRICAL STUDY**

**Vivek<sup>1</sup>**

**Dr. Mohd. Kamalun Nabi<sup>2</sup>**

### **Abstract**

*The term corporate social responsibility (CSR) comprises corporate which means company, social means community and responsibility refers to obligation. Thus CSR is not merely a term; it shows a big responsibility cum accountability of corporate entities towards the larger sections of the society being a part and parcel of the society. In recent years, the concept of ‘Corporate Social Responsibility’ has gradually made inroads into the marketing area because organizations exist within a society and the society is a broader framework within which organizations operate; there are many social issues which impinge on the operation of the organizations. This is the precise reason why most of the organizations are using CSR policy as one of the marketing strategies. Though there have been arguments in the past against social responsibility of business organizations as well as in its favour, a consensus has emerged that it is essential as well as concomitant for long term survival of organizations. Thus, an organization has to look at fulfilling the requirements of various stakeholders such as shareholders, workers, customers, suppliers, government and society. Of the lot, to customers are one of the important as well as strategic stakeholders. Therefore, knowledge of customers’ attitude and behaviour is of crucial significance for business organizations. The better the firm understands its customers, the more likely it becomes successful in market place. Against such a backdrop, the present paper attempts to examine whether the customers are aware of organizations performing social responsibility, to analyze the attitude of customers towards corporate houses engaged in CSR activities and also to ascertain the extending purchasing behaviour of the customers are affected by CSR of business organizations policies. The primary objective is to examine establish and validate the relationship between corporate social responsibility and consumer behaviour in the Indian business environment. The study is based on both primary and secondary data. The primary data required for the study have been collected from the customers of Delhi and NCR. The secondary data have been collected from research publications, standard journals, periodicals and web. Behavioural statistical tool such as Chi-square is used primarily for data analysis.*

**Keywords:** CSR, Marketing Strategy, Stakeholder, Corporate Houses, Consumer Behaviour

### **Introduction**

As responsible corporate citizen present-day managers are increasingly concerned with social-issues that they and their organizations are facing. Corporate social responsibility has become an integral part of the corporate strategy in the contemporary business environment. This is happening throughout the world, and India is no exception. The concept of social responsibility of business has its roots in the objective of the

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business itself. The objectives and responsibility are two sides of the same coin of business. Thus, organizations need keep in mind that business has the responsibility- towards its stakeholders and society at large while setting its objectives. Businesses are no longer viewed as only the economic interest but are perceived to be an inseparable part of the society. In an ever changing business environment and with the advent of globalization, organizations embrace corporate social responsibility not only because it is the appropriate business strategy, but also because it strengthens their brand image in the mind of customers. By gaining a better understanding of the factors that affect customer behaviour, business organizations are in a better position to predict how customers will respond to overall as well as specific marketing strategies. Of late, it has been observed by market analysts that consumers are avoiding what they see as socially irresponsible products or the products of companies that have allegedly not acted in the best interest of the society. Thus, the organization must operationalise social responsibility while implementing its strategy because business is based on understanding the customer and providing the kind of products that the customers' needs and wants. Finally, customer is the principal- a priori of business. The efficiency with which a free market system of enterprise operates depends upon the extent of understanding of customers by the business. A business that is ignorant of customer preferences cannot possibly fulfill its obligations in a meaningful and responsive manner. This is exactly the reason why firms need to understand the response of customers towards their CSR activities.

### **Corporate Social Responsibility**

The term Corporate Social Responsibility manifests that

- (a) Corporate- means organized business;
- (b) Social- means everything dealing with the people, and
- (c) Responsibility- means accountability between the two.

As per **World Business Council for Sustainable Development (WBCSD)** "Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to 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."

### **Consumer Behaviour**

The term Consumer Behaviour is the behaviour shown by the customer at the time of searching, purchasing, using and disposing of product and services which satisfy his needs and want. It includes the decision making process that precedes his actual purchase. The study of behaviour is the study of individuals i.e. how they take decisions to spend their available resources i.e. time, money and effort on buying goods and services. As per American Marketing Association, "consumer behaviour is the dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives."

### **Corporate Social Responsibility towards Consumers**

According to Peter F. Drucker, "there is only one valid definition of business purpose; to create a customer." Drucker observes; "the consumer is the foundation of a business and keeps it in existence. He alone gives employment. To supply the wants and needs of customer, society entrusts wealth-producing resources to the business enterprise." It has been widely recognized that customer satisfaction is be the key to satisfying the organizational goals. The important responsibilities of the business towards the customers are:

1. To improve the efficiency of the functioning of the business such as to:
  - (a) Increase productivity and reduce prices, and
  - (b) Improve quality of the products
2. To supply goods at reasonable prices to the customers.
3. To ensure that product supplied has no adverse effect on the customer.
4. To improve quality of the products and introduce better and new products.
5. To avoid misleading the customers by improper advertisements or otherwise.
6. To provide an opportunity for being heard and to redress genuine grievances.
7. To take appropriate steps to remove the imperfections in the distribution system.
8. To understand customer needs and to take necessary measures to satisfy their needs.

### **CSR Practicing Companies in India**

**Indian Oil Corporation Ltd. (IOCL)** Every year around 1/4<sup>th</sup> of the community development funds are spent by IOCL on the welfare of Schedule castes and Schedule tribes. It has a concentrated social responsibility programme to partner communities in health, family welfare, education, environment protection, providing water, sanitation and empowerment of women and other marginalized groups.

**Tata Sons Ltd.** are most known philanthropist of modern India. They have setup many educational and Health care institutions in India, which still have a prominent place amongst institutions. Tata spends 8 to 14 percent of its net profit every year on philanthropic activities. Tata have initiated various labour welfare laws and were first to have labour welfare departments in the year 1917 and maternity benefit facility was available since 1928 well before laws were introduced for these benefits in the year 1948 and 1946 respectively. Tata Memorial Hospital was setup in the year 1941, while in 1945 Tata Institute of Fundamental Research (TIFR) was established. (Srivastava, Negi, Mishra, and Pandey, 2012)

**GD Birla** Company is also engaged in high level of philanthropy. They have built “Birla Institute of Science and Technology” at Pilani, the home town of Birla. It started with a small school in the beginning which expanded into various colleges of higher education and engineering. As a president of “Harijan Sevak Sangh”, GD Birla has always been in forefront to address the issues related to the untouchables.

**Microsoft** is not just a charity provider. Apart from the grants that Microsoft has made to the tune of more than \$1.15 million in the country. Recently, it brings an affordable local language computing solution for India. It has launched its Windows XP starter edition exclusively for India. (Kripa Raman, 2006).

**Amway’s** vision is to help people live better. It does this every day by providing a low-cost and low-risk business opportunity based on selling quality products.

**Wipro** in 2011 started earthian programmes which brings together two key concerns: school education and sustainability. This is national level programme through which it has reached out to more than

3000 schools, 3500 educators and 15000 students since inception. It has also contributed to improve Science and Math education in schools primarily serving disadvantaged communities in US cities. The programme is currently active in Chicago, New Jersey, New York and Boston.

**Hindustan Unilever Ltd.** is creating rural entrepreneurs. It has trained 13000 unprivileged Indian women to distribute the company's products to 70 million rural customers. The company is working with women's self-help groups to teach selling and book-keeping skills and build commercial knowledge.

### **Review of Literature**

**Carroll (1991)** suggested that CSR should be divided into four levels: economic, legal, ethical and philanthropic responsibilities. Economic responsibility refers to the profitability of the organisation, while legal responsibility is complying with laws and regulation. As for the ethical perspective, the organizations' operation should go beyond the laws to do the right thing in fair and just ways. Philanthropic responsibility refers to voluntary giving and service to the society. Today, consumers are more aware of the corporations' responsibility through better education and through the influence of the media. It may no longer be accepted for business organizations to neglect CSR. The role of businesses in society is no longer focused on creating wealth alone but is also focused on acting responsibly towards stakeholders. **Creyer and Ross (1997)** who conducted a survey on the parents of *Rahizah Abd Rahim et al.* 124 elementary school students to measure their responses towards the ethical behaviour of corporations. They found that most of the respondents expected corporations to carry out their businesses ethically. Some of the respondents even expressed that they were willing to pay higher prices for products of ethical corporations. According to **Lafferty, Barbara, and Ronald (1999)**, a positive corporate image is positively correlated to purchase intention and also helps consumers to differentiate between companies and their product or service offerings. Therefore, loyalty and commitment from customers are likely to increase if companies act responsibly and accountably in terms of their social and environmental impact. **Mohr, Webb, and Harris, (2001)** defined CSR as "a corporation's commitment in minimising or eliminating any harmful effects and maximising its long-run beneficial impact on society." The authors also opined that socially responsible behaviours include a broad array of actions, such as behaving ethically, supporting the work of non-profit organisations, treating employees fairly and minimising damage to the environment. In other words, a socially responsible corporation would consider the effects of its actions towards all people directly or indirectly connected to the corporation. According to **McAlister, Ferrell, O. C. and Ferrell, L. (2003)**, the economy is influenced by the ways in which the corporation relates to its stakeholders, such as shareholders, employees, suppliers, competitors, community, and even the natural environment. Economic responsibility lies in maximising not only shareholders' interests but also other stakeholders' interests as well. **Roy, Prashant and Alam, Mohsin (2007)** conducted a study to identify the responsibility of the growing private sector in India towards society and how it can contribute to the providing social justice in the Indian society through performing various corporate social responsibilities. They are of the opinion that corporate social responsibilities are not only the financial burden for the entrepreneurs but it is also creating business avenues for them. With the help of CSR initiatives private sector companies can assure positive comments and eventually has a positive impact on the brand image of the firm. So, firms need to understand whether and how their multi-faceted CSR efforts have



an impact on their global brand image. **Saleh, (2009)** also found that corporations are seen as responsible corporate citizens by investors if they are engaged in CSR activities. Societies do not oppose corporations' intent to maximise their economic returns so long as they are done in consideration of environmental stability and social development. **Roy, Swapan Kumar (2012)** concluded that CSR is a part and parcel of the corporate strategy. Business enterprises are no longer expected to play their traditional role of mere profit making enterprises. The companies are facing increased pressure for transparency and accountability, being placed on them by their employees, customers, shareholders, media and civil society. The ever-increasing role of civil society has started to put pressure on companies to act in an economically, socially and environmentally sustainable way. CSR talks about responsibility across all stakeholders in terms of the Triple Bottom-line, people, planet and profits. The study undertaken by **Fakay, Yemokhya and Buragohain. Biraj (2015)** opined that today the concept of CSR has undergone radical change. It has integrated social as well as environmental issues into their missions and decisions. Companies take keen interest in informing about their CSR activities to their stakeholders as well. From the review of literature, we come to know that across the globe, business enterprises have accepted the concept of CSR as a crucial element of success and survival of business along with fulfilling social objectives.

### **Objectives of the Study**

The objectives of the present study are:

1. To study the awareness of customers about the companies performing social responsibilities.
2. To explore the attitude of customers towards the corporate houses engaged in social activities.
3. To examine the impact of CSR policies on purchasing behaviour of customers.

### **Hypotheses of the Study**

1. **H<sub>0</sub>**: There is no significant relationship between Corporate Social Responsibility and Customer Awareness.
2. **H<sub>0</sub>**: There is no significant relationship between Corporate Social Responsibility and Customer Attitude.
3. **H<sub>0</sub>**: There is no significant relationship between Corporate Social Responsibility and Purchasing Behaviour of Customers.

### **Research Methodology**

#### **Data Collection**

The sample respondents of this study were the customers. The primary data for the study were collected through the administration of a structured questionnaire based on five point Likert scale. For data collection, random sampling technique was used. In all, 130 questionnaires were distributed randomly to the customers in Delhi and NCR. Of the 130 questionnaire distributed, 110 filled in questionnaire were retrieved and the rest 20questionnaireeither part filled or with value answers were eliminated. Thus the overall response rate was 85%, which was considered as satisfactory for further analysis. The secondary data for the purpose of this study were collected through research publications, journals, periodicals and web. The present study is confined only to customers and does not take into account other important stakeholders. The objective of the study was to ascertain whether the customers are

aware of companies performing social responsibilities, to analyze the attitude of customers towards business enterprises engaged in social activities and also to examine the extent customers' purchasing behaviour are affected by CSR policies. Statistical tool such as Chi-square test was applied to examine the validity of the research hypotheses.

### **Analysis and Interpretation of the Data**

This section comprises the empirical analysis of the survey data collected through the questionnaire. The empirical analysis deals with the analysis and interpretation of the feedback of the sample respondents. For this purpose a structured questionnaire was developed based on the literature review on the subject matter. The questionnaire was divided into two parts: Part-A consisted of questions related to demographic variables of respondents. Part-B comprised questions relating to respondents' perception towards corporate social responsibility.

**Table 1: Demographic Profile of Sample Respondents (N= 110)**

<b>Variables</b>	<b>Categories</b>	<b>Frequency Distribution</b>	<b>Cumulative Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	73	73	66.36
	Female	37	110	33.64
<b>Age</b>	Under 20 years	05	05	4.55
	21-30 years	35	40	31.82
	31-40 years	40	80	36.36
	41-50 years	20	100	18.18
	Above 50	10	110	9.09
<b>Marital Status</b>	Married	40	40	36.36
	Unmarried	70	110	63.64
<b>Educational Qualification</b>	Metric	06	06	5.45
	Intermediate	07	13	6.36
	Bachelor's Degree	50	63	45.46
	Master's Degree	30	93	27.27
	Ph.D.	17	110	15.46
<b>Occupation</b>	Student	25	25	22.73
	Govt. Employee	21	46	19.09
	Private Employee	49	95	44.55
	Self-employed	06	101	5.45
	Unemployed	09	110	8.18
<b>Monthly Income</b>	≤Rs. 25000	28	28	25.46
	Rs. 25001-35000	42	70	38.18
	Rs. 35001-45000	13	83	11.82
	Rs. 45001-55000	09	92	8.18
	>Rs. 55000	18	110	16.36

(Source: Compiled from Primary Data)

The Table 1 presents the demographic profile of the respondents classified on the basis of their gender, age, marital status, educational qualification, occupation and monthly income. It revealed that majority of the respondents (66.36%) are male, 36.36% respondents are in between 31-40 years, followed by 31.82% of the respondents in the age group of 21-30 years. Most of the respondents (70%) are unmarried. A majority of respondents (45.46%) are having bachelor's degree, followed by post graduation degree (27.27%). Out of the total sample respondents 44.55% were private employees, followed by students (22.73%) and 38.18% of the respondents were having their monthly income in the range of Rs. 25,001-35,000.

**Testing of the Hypotheses**

1.  $H_0$ : There is no significant relationship between Corporate Social Responsibility and Customer Awareness.

**Table 2: Awareness of Customers towards Corporate Social Responsibility**

Responses	Frequency	Percentage	Valid Percent	Cumulative Percent
Yes	95	86.36	86.36	86.36
No	15	13.64	13.64	100
<b>TOTAL</b>	<b>110</b>	<b>100</b>	<b>100</b>	—

Source: Compiled from Primary Data

It is evident from the Table 2 that a significant portion of the respondents (86.36%) are of the opinion that, they are aware of companies engaged in social responsibilities. On the other hand, only 13.64% of the respondents expressed their ignorance with regards to corporate social responsibility. This finding nullifies the aforesaid hypothesis. It distinctly reveals that there is a significant relationship between corporate social responsibility and customer awareness. Thus, the null hypothesis ( $H_0$ ) is rejected and alternative hypothesis is accepted.

**Table 3: Sources of Information about Corporate Social Responsibility**

Sources	Frequency	Percentage	Valid Percent	Cumulative Percent
Magazine	06	5.45	5.45	5.45
Newspaper	27	24.55	24.55	30
Television	30	27.27	27.27	57.27
Internet	35	31.82	31.82	89.09
Label	07	6.36	6.36	95.45
Store layout and activities	05	4.55	4.55	100
<b>TOTAL</b>	<b>110</b>	<b>100</b>	<b>100</b>	--

Source: Compiled from Primary Data

It is evident from the Table 3 that majority of the sample respondents (31.82%) elicited relevant information about the social responsibility policy adopted by various companies through internet (31.82%), followed by television (27.27%) and newspapers (24.55%), in that order. Majority of the respondents being young and educated internet dependence for information is a foregone conclusion. On the other hand, only 6.36% respondents got such information through packaging and labeling followed by magazine (5.45%) and store layout (4.55%) respectively. Thus it comes to the fore that label, magazine and store layout play insignificant role in disseminating information about corporate social responsibility.

2.  $H_0$ : There is no significant relationship between Corporate Social Responsibility and Customer Attitude.

**Table 4: Respondents' Attitude towards Implementation of Corporate Social Responsibility**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Strongly Disagree	06	06	5.45
Disagree	04	10	3.64
Neutral	16	26	14.55
Agree	54	80	49.09
Strongly Agree	30	110	27.27
<b>TOTAL</b>	<b>110</b>	--	<b>100</b>

Source: Compiled from Primary Data

Chi-square test used (At  $\alpha=1\%$  and  $\alpha=5\%$ )

$\chi^2$ calculated= 77.47

$\chi^2$ tabulated (at d.f. = 4 and  $\alpha=1\%$ ) = 13.277

$\chi^2$ tabulated (at d.f. =4 and  $\alpha=5\%$ ) = 9.488

From the Table 4, it is clear that, there is a significant relationship between corporate social responsibility and customer attitude. The table value of chi-square for 4 degree of freedom at 1% level of significance is 13.277 and for 4 degree of freedom at 5% level of significance is 9.488. By comparing calculated value and table value of chi-square, we find that calculated value is more than the table value which means that the calculated value cannot be said to have arisen just because of chance or due to fluctuations of sampling. It is significant. Hence, the hypothesis does not hold good. The result rejects the null hypothesis ( $H_0$ ) and thus, the alternative hypothesis is accepted. Thus it can be deduced that companies should implement corporate social responsibility policy religiously.

**Table 5: Respondents' Perception towards Govt. Sponsored CSR Programmes**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Strongly Disagree	06	06	5.45
Disagree	04	10	3.64
Neutral	23	33	20.91
Agree	56	89	50.91
Strongly Agree	21	110	19.09
<b>TOTAL</b>	<b>110</b>	--	<b>100</b>

Source: Compiled from Primary Data

$\chi^2$ calculated= 79.01

$\chi^2$ tabulated (at d.f.=4 and  $\alpha=1\%$ ) = 13.277

$\chi^2$ tabulated (at d.f.=4 and  $\alpha=5\%$ ) = 9.488

The  $\chi^2$  results (Table 5) reveal that there is a significant relationship between Govt. sponsored corporate social responsibility programmes and customer attitude. Since the table values both at 1% and 5% level of significance are less than the calculated value and as such differences could have arisen due to statistical significance. Thus, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis is accepted. On the basis of this finding we can conclude that the government should organize programmes to sensitize companies to implement corporate social responsibility policy.

3.  $H_0$ : There is no significant relationship between Corporate Social Responsibility and Purchasing Behaviour of Customers.

**Table 6: CSR initiatives and its Impact on Purchase of Products**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Strongly Disagree	23	23	20.91
Disagree	24	47	21.82
Neutral	35	82	31.82
Agree	11	93	10.00
Strongly Agree	17	110	15.45
<b>TOTAL</b>	<b>110</b>	--	<b>100</b>

Source: Compiled from Primary Data

$\chi^2$ calculated= 14.54

$\chi^2$ tabulated (at d.f.=4 and  $\alpha=1\%$ ) = 13.277

$\chi^2$ tabulated (at d.f.=4 and  $\alpha=5\%$ ) = 9.488

The above Table reveals that there is a significant relationship between corporate social responsibility initiatives undertaken by the companies and purchasing behaviour of customers. Since the table values both at 1% and 5% level of significance are less than the calculated value which means that the difference is significant and is not due to chance. As such, the null hypothesis ( $H_0$ ) is rejected and alternative hypothesis is accepted. Thus, we can conclude that respondents pay attention to the social responsibility activities of the company while buying products.

**Table 7: Respondents' perception towards Socially Irresponsible Business Practices**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Strongly Disagree	06	06	5.45
Disagree	16	22	14.55
Neutral	34	56	30.91
Agree	36	92	32.73
Strongly Agree	18	110	16.36
<b>TOTAL</b>	<b>110</b>	--	<b>100</b>

Source: Compiled from Primary Data

$\chi^2$ calculated= 27.46      $\chi^2$  tabulated (at d.f.=4 and  $\alpha=1\%$ ) = 13.277

$\chi^2$ tabulated (at d.f.=4 and  $\alpha=5\%$ ) = 9.488

It is evident from the aforesaid Table that the tabulated values are less than the calculated value. Thus, the result confirms not to accept the null hypothesis ( $H_{03}$ ). In other words, there is a significant relationship between the company's irresponsible business practices and its impact on purchasing behaviour of customers. It reveals that, a significant portion of the respondents are of the opinion that as customers they are not prepared to buy the products of those companies who are practicing socially irresponsible. Stated otherwise, they are ready to buy products of companies discharging corporate social responsibility activity.

**Table 8: Respondents' Behaviour towards the companies practicing CSR Activities**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Strongly Disagree	04	04	3.64
Disagree	06	10	5.45
Neutral	36	46	32.73
Agree	43	89	39.09
Strongly Agree	21	110	19.09
<b>TOTAL</b>	<b>110</b>	<b>--</b>	<b>100</b>

Source: Compiled from Primary Data

$$\chi^2_{\text{calculated}} = 55.37$$

$$\chi^2_{\text{tabulated}} \text{ (at d.f.=4 and } \alpha=1\%) = 13.277$$

$$\chi^2_{\text{tabulated}} \text{ (at d.f.=4 and } \alpha=5\%) = 9.488$$

The above result i.e. the tabulated values are less than the calculated value concludes that there is a significant association between the social responsibility undertaken by the company concerned and its impact on purchasing behaviour of customers. Hence, the result does not support the null hypothesis ( $H_{03}$ ) and we can conclude that respondents may prefer to purchase products of socially responsive companies.

**Table 9: Factors Affecting Respondents' Purchase Decision Making**

Responses	Frequency Distribution	Cumulative Frequency	Percent
Quality	40	40	36.37
Price	34	74	30.91
Brand value	20	94	18.18
CSR initiatives	10	104	9.09
Ingredients	06	110	5.45
<b>TOTAL</b>	<b>110</b>	<b>--</b>	<b>100</b>

Source: Compiled from Primary Data

The aforesaid Table discerns that a considerable number of respondents i.e. 36.37% of the respondents preferred to buy products on the basis of quality. Around 30.91% of the respondents are found to be concerned about price of the product while making their purchase decisions, whereas 18.18% of the respondents are influenced by the brand value while purchasing products. Corporate social responsibility is also one of the factors through not significantly important in enticing influencing the purchase behaviour of customers. 9.09% of the respondents opined that they prefer to buy products on the basis of social responsibility activities undertaken by companies. However, ingredient factor is found to be the least preferred among all the factors i.e. only 5.45% of the respondents are influenced by the elements of a product while taking their purchase decisions.

## Results and Discussion

This section presents the findings of the respondents' awareness, attitude and purchasing behaviour towards corporate social responsibility. Table 2 depicts the simple customers' level of awareness about CSR. It reveals that 95% of the respondents have fundamentals about the concept of CSR whereas and the rest 15% respondents remained unaware regarding corporate social responsibility. Further, the foregone analysis also affirms that a positive relation indeed exists between corporate social responsibility and customer awareness. It shows that customers are of the opinion that companies are moving towards corporate social responsibility whereas they are not aware of its material benefits. The present study further reveals that there exists a significant and positive relationship between

corporate social responsibility and customer attitude. Based on the results of  $\chi^2$  (Table 4), we can conclude that corporate social responsibility need to be one of activity of every company and the government should undertake programmes in order to sensitise companies to implement CSR policies. This clearly shows the customers' positive attitude towards corporate social responsibility. In addition, the result of this study also indicates that CSR directly affects consumers' product purchase intentions (Table-5). From  $\chi^2$  results of Table 6, we can interpret that consumers regard CSR initiatives undertaken by companies as socially responsible business practices and such CSR activities constitute an important determinant of the purchase decision of customer. Finally, as far as factors inducing buyers to purchase products are concerned, 40 percent respondents opined that product quality is of the paramount importance for them while purchasing products. The second most important factor is the product price (34%). Thus, the research findings suggest that while buying products consumers provide importance to consumers, the most important factors when buying products are quality followed by price and brand value, in that order. The influence exerted by factors such as corporate social responsibility and ingredients of the product on the purchase decision making of the customers are found not to be significant as a little high of a percent consider CSR as an important determinant of purchase decision.

### **Conclusion**

Of late, Corporate Social Responsibility (CSR) has become a buzzword. Most of the companies have adopted CSR policy to serve the society as a whole. Consumers are expecting that companies should implement social responsibility regardless of their size, shape or origin. Since societies across the world are facing various social economic and environmental problems, they expect that companies should come forward to eradicate those problems by using their resources effectively. Thus companies should develop, implement and communicate CSR policies effectively so that they can influence the consumer purchase decisions positively and thereby they can gain loyalty of the customers too. This will help them in maintaining their positions in the market and achieve a long-term success. However, in case of products of same price and quality, consumers prefer products of those companies that have adopted CSR activities. Moreover, they are also willing to pay more, for products of socially responsive companies and are not keen to buy products of those companies that are pursuing unethical or irresponsible business practices. Thus, the findings of the present study suggest that, CSR can be a good strategy for companies operating in a competitive environment. Besides, it is also imperative for the companies concerned to find effective communication channels for dissemination of information about their CSR programmes to the customers at large. Thus companies and customers can end up in a win-win situation when CSR activities undertaken are by the companies in the right earnest and customers are made aware of the same.

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## **A STUDY ON MARKETING CHALLENGES AND OPPORTUNITIES OF WOMEN ENTREPRENEURS THROUGH SELF HELP GROUPS IN SAINTALA BLOCK OF BALANGIR DISTRICT, ODISHA**

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### **ABSTRACT**

*The Self Help Group (SHG) movement in India has given rise to many micro-enterprises with the aim of women empowerment and development of the economic status of the society in rural areas. Women have become familiar with their rights and position and entering into the different field of business in order to give their contribution towards the growth of the economy and improving their socio-economic status. Since women constitute almost half of the total population, it is necessary to make them productive through various economic activities rather than limiting them within the four walls. Women are still not performing as per the expectation and facing lots of issues and challenges in their working as well as the non-working field. Therefore, this study attempt to examine the marketing challenges and opportunities of women entrepreneurs through SHG's in Saintala block. This study based on both primary and secondary data. The primary data have been collected from various SHG's members with the help of a structured questionnaire by interview. The study showed that SHG's members are facing both direct and indirect challenges for marketing their products and unable to grab the opportunities as per the expectation.*

**Keywords:** Self Help Group, Women Entrepreneurship, Marketing challenges, Women Empowerment.

### **Introduction**

Women represent almost half of the total population in India but their contribution is very less towards the economic development of the country. Yet women are surviving within the society for their rights and freedom in rural areas as they are bound in cultural limitation of the society. For the overall development of the society as well as the nation, the contribution of the women in various economic activities is very essential. The self-help group (SHG) movement in India has been working in the right path to fulfill the objectives of empowering women and eradicating of poverty mostly in rural areas through the development of entrepreneurial skills. The participation of women in SHG made a positive impact on their empowerment both socially and economically. SHG provides a great opportunity for women to engage themselves into varieties of entrepreneurial activities. In India women- entrepreneurs faces many problems due to several internal and external factors and marketing challenge in one of them.

India is predominantly rural in character where more than 70% (as per census report 2011) of the population living in rural area. The socio-economic progress of the rural people is possible through different rural development strategy. The main aim of the rural development strategy has been alleviating of poverty along with improvements in the standard of living through income and employment generation. Socio-economic constraints are not uncommon in the rural areas and women being pushed back into

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the social hierarchical systems. In rural areas, most of the ladies are only housewives and they are not engaged in any income generating activities. Therefore the Government of India initiates Self Help Groups (SHGs) movement to develop socio-economic conditions of the rural women.

Self-Help Groups (SHGs) is a small, economically homogeneous and voluntary association of rural poor. They come together to meet their common problems through self help and mutual help. They SHG promote small savings among its members and kept that in a bank or else circulate that money as a loan within the group members. It facilitates to the women can become entrepreneurs with the help of local resource and their skills. The evolved of SHGs is form the idea of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus in the year 1975. In India, SHGs were started in 1986-87 by NABARD. But the real effort was started after 1991-92 through SHG bank linkage programme.

All the SHGs are willing to become self-employed for improving their cost of living but they are unable to find suitable ventures since they are scared to take the risk of selecting a suitable venture. Further, they are facing a number of challenges in marketing their products. Hence the Government of India provides support with the help of State Governments and NABARD to help Self Help Groups by giving assistance in the form of a Revolving fund, Bank credit, and Subsidy to start their Self-employment.

### **Statement of Problem**

Government is taking a lot of effort to market SHGs products through exhibition and stalls but the SHGs members are having a lack of knowledge about different schemes announced and offered by the state as well as central government. Every state is ready to face the financial challenge with self-savings, family support or support given by both Government and NGOs, especially for women entrepreneurs. But now a day's marketing is the leading challenge for SHGs because of the market leaders sales their products with well-structured marketing tools like the low cost of production, effective packing, attractive advertisement, and timely distribution with qualified and trained marketing strategies in the dynamic world. But SHGs are lacking in all these marketing activities, even though SHGs have quality products at low cost. If they trained well to market their products in the market with the help of Government, NGOs etc they can acquire a good share in the market for their product.

### **Objectives of the study**

- ◆ To study the socio-economic characteristics women SHGs members in Saintala Block of Balangir District.
- ◆ To find different marketing problems faced by the SHGs members during marketing their products.
- ◆ To ascertain the opportunities to market the product of SHGs.

### **Methodology**

This study follows a Descriptive approach based on survey method. The data have been collected both from primary and secondary sources. Primary data were collected from the members of SHGs in Saintala through the Interview Schedule with the help of a structured questionnaire. Secondary data were collected from the reports on SHG's published reports, journals, magazines etc. The data were collected by using a simple random sampling method from 155 respondents. Simple percentage analysis and fried rank test have been used to analyze the data.

### **Review of literature**

(Ghouse & Suhail, 2013), in their paper entitled "rural marketing: challenges, opportunities, and trends" tried to find out the rural market and its scope with the various challenges and opportunities associated with it.

According to them, there are several difficulties confronting the effort to fully explore rural markets. The rural products should be separate from the urban products and the concept of localization should be applied to rural products. Rural markets sector poses a variety of challenges, including understanding the dynamics and trends of the rural markets and strategies to supply and satisfy the rural consumers.

(Gandhi & Udayakumari, 2013), attempt to find out the marketing strategy of women self help group. The marketing activities of the SHGs are far below the new standards set by globalization. They only engage in direct marketing. They market their products only locally. The packing of the finished products does not attract the mass as other manufactured products do. The SHGs don't even engage in advertising their products.

(Doss & Devi, 2013), in their detailed study entitled that "Problems and Prospects of Self Help Groups Products Marketing", tried to find out factors influencing the marketing of SHG products. It is enlightening the fact that the majority of the respondents face the difficulties in marketing their products due to heavy competition. It is vivid that Educational qualification, Area and Family nature have an association with marketing problems of SHGs products. It is depicted that Heavy competition is the main factor influencing the marketing problem of SHGs products.

(Krishnaveni & Haridas, 2014), study on "Marketing issues of self help groups" with focus on various issues faced by the SHGs. It is inferred that Lack of machines and equipment to meet market capacity is the important problems of Self Help Group Members followed by Lack of Knowledge on marketing area, SHGs always suffer from inadequate resources for marketing the products.

(P.Jayakumar & J.Kannan, 2014), found in their paper entitled "Challenges and Opportunities for Rural Women Entrepreneurs" that rural women entrepreneurs face lots of challenges like business and family conflict, financial crisis, illiteracy, low risk-bearing capacity, lack of visibility and leadership, lack of information and assistance, lack of training and development, mobility constraints, lack of infrastructure, high level of corruption, male-dominated society etc.

(Dhiman & Rani, 2014), found that type of business activity of SHGs, the location of SHGs, promotion techniques adopted by SHGs and number of members per group does not have a significant influence on the sales. The finding of the research also revealed that the sales of SHGs are only influenced by the price policy adopted by SHGs whereas, in case of profits, the only type of activity chosen and promotional techniques adopted by them influence the profitability of their concerned enterprises.

(Dhiman & Rani, 2015), groups were not earning good profits due to lack of marketing knowledge, awareness and lack of appropriate marketing strategies.

(Yadav, Sagar, & Yadav, 2016), SHGs were working very efficiently in some of the areas while not succeeded in others. Members were not getting the benefit of collective purchase of production input and profitable sale of produce. SHGs till now were not connected with marketing agencies. Hence, there is a need to facilitate individual member to plan their activities in such a way that, they could share common activities and get connect with market agencies. Helping SHGs in getting contracts to supply a specific quantity of produce to a buyer can also help in overcoming marketing constraints.

(Deka & Borgohain, 2016), in their study revealed that problem-solving capacities were not found adequate among the SHGs. Few SHGs only exhibited good market linkages in connection with their production but, most of the SHGs did not have any market linkages. Knowledge is limited regarding value for savings, account keeping, and financial liabilities as well as entrepreneurship development among SHG members.

(Nayyar, 2017), there was an increase in self-confidence, self-reliance, and independence of rural women due to the involvement in the entrepreneurial and other activities of SHGs. Raised literacy level and awareness among

women could be helpful for the SHG members to overcome constraints so as to understand government policies, technical understanding and gaining required skills.

(Singh & Pravesh, 2017), they have not infrastructural facilities to liquid their business idea or expand an existing enterprise. They are facing financial challenges to initiate or circulate their production process. The entrepreneurs have skill and expertise should be updated by a new innovative technique of production. They continuously are facing marketing & management challenge. To market their products and manage for traditional organization structure uses own principle but for expansion of enterprise, they have to know modern tools & techniques of marketing and management.

**Data analysis and interpretation**

The socio-economic variables such as age, marital status, educational qualification, annual income, and economic class of the respondents are analyzed through percentages.

**Table I:** Socio-Economic Profile of the Respondents

Socio-Economic Variables		No of Respondents	Percentage
<b>AGE</b>	Below 30 yrs	36	23.23
	31-40 yrs	48	30.97
	above 40 yrs	71	45.81
<b>MARITAL STATUS</b>	Married	155	100.00
	Unmarried	0	0.00
<b>EDUCATION</b>	Not gone to school	48	30.97
	Primary	59	38.06
	HSC	35	22.58
	Above HSC	13	8.39
<b>ANNUAL INCOME</b>	Up to 50000	75	48.39
	50000-100000	52	33.55
	Above 100000	28	18.06
<b>BPL/APL</b>	BPL	137	88.39
	APL	18	11.61

The Socio-economic characteristics of the respondents (Table I) indicate that a majority of respondents (45.81%) belonged to above 40 years age group. It is further revealed that all of the respondents (100%) were married. A majority of respondents (38.06%) were having the primary qualification. As far as the income level is concerned, most of the respondents (48.39%) were earns up to 50000 annually. A majority of the respondents (88.39%) were living below the poverty line.

**Table II:** Reasons for Joining In SHGs

Reasons	No of Respondents	Percentage
TO PROMOTE SAVING	29	18.71
TO REPAY OLD DEBTS	36	23.23
FAMILY COMMITMENT	27	17.42
TO AVAIL LOAN	35	22.58
TO START BUSINESS	28	18.06
TOTAL	155	100

Table II shows that, exactly 36 (23.23%) respondents were joined in SHGs due to repay old debts, 35 (22.58%) respondents were joined to avail loan, 29 (18.71%) respondents joined to improving saving, 28 (18.06%) were joined the group to start business, and 27 (17.42%) respondents are joined for family commitment.

**Table III: Friedman Rank Test and Level of Marketing Problems**

Marketing problem	Strongly Agree	Agree	Nuclear	Disagree	Strongly Disagree	Mean Score	Rank
Public are not encouraging to buy SHGs products	78	58	7	12	0	4.30	7
	50.32	37.42	4.52	7.74	0.00		
Less promotional activity for SHGs products	92	44	0	13	6	4.31	6
	59.35	28.39	0	8.39	3.87		
Transport	83	65	0	7	0	4.45	3
	53.55	41.94	0	4.52	0		
Storage	38	42	15	32	28	3.19	9
	24.52	27.10	9.68	20.65	18.06		
No branding	96	43	0	12	4	4.39	4
	61.94	27.74	0	7.74	2.58		
Compete with MNC	85	70	0	0	0	4.55	2
	54.84	45.16	0	0	0		

Price demanded by retailers/consumers is low	108	39	8	0	0	4.65	1
	69.68	25.16	5.16	0	0		
Lack of knowledge on marketing area	35	41	0	53	26	3.04	10
	22.58	26.5	0	34.19	16.77		
Difficult to find out market potential	40	62	0	38	15	3.48	8
	25.81	40	0	24.52	9.68		
Exhibition cost	79	62	5	9	0	4.36	5
	50.97	40	3.23	5.81	0		

Table III shows that the SHGs members face the difficulties in marketing their products due to low price demanded by retailers and consumers followed by competition with MNC, transportation, no brand name of SHGs products, high exhibition cost, shortage of finance, less advertisement and like.

### Findings of the study

It is observed that out of the total of 155 respondents' majority of the women were above 40 years of age and all were married.

Out of the total respondents it has been observed that the education level of the women is very less. Only 22% of the women have studied up to high school and only 8% have studied above HSC level.

It is depicted that majority of the women are joining the groups to repay their old debts and to get loan followed by improving saving, to start business and family commitment.

It has been observed that nearly 90% of the women belong to below poverty line.

From the analysis it is inferred that the major marketing challenges faced by the SHGs member are price demanded by retailers and consumers is low, competition with the MNC is high, transportation problems, no brand name of SHGs products and high exhibition costs.

### Suggestions

The government, NGOs, and other agencies should arrange programmes to develop entrepreneurial skills such as packaging, grading, and branding.

Exhibitions, the opening of stalls, trade fair should be arranged at the block level to promote SHGs products.

SHGs members should study about the availability of local markets.

Training should be provided on personality development to improve their bargaining power.

### Conclusion

This study has given a clear picture of the challenges and opportunities of marketing SHGs products in Saintala block of Balangir district. In this era of the globalized market to remains in the market for a long time it is necessary to implement micro enterprises and strengthen the marketing strategies in the field of the idea, distribution channels and pricing strategies etc. to capture good market shares.

There is an urgent need for effective and efficient marketing methods. With appropriate market support strategies, the SHGs members may build their micro-enterprises as a source of their employment and income. Women SHGs members should have their own opinions and self-assured. They should be able to face all risks for becoming efficient marketers. They should be willing to learn new ideas and open to change and more confident about the future.

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## AN ANALYSIS OF RELATIONSHIP BETWEEN THE ORGANIZATIONAL CULTURE AND ORGANIZATIONAL LEARNING

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### ABSTRACT

*With the globalization of economy and changing avenues for growth and development, business organizations are facing severe competition in the marketplace. The sheer enormity of competition has made it obligatory for the business organizations to keep them better, efficient and effective than the others. The purpose of research was to discover answers to various questions to gain familiarity with Organizational Culture and the phenomenon of Organizational Learning to achieve new insights in the subject matter. It is necessary to establish the relation between culture and organizational learning in order to provide effective direction to the modern organizations. A study has been initiated to analyze the organization culture and organization learning effects toward the Competitive Strategy of the organization. The paper highlights the impact of psychographic variables on Organizational Culture and Organizational Learning, which is influenced by Organization Level, Individual Level, Departmental Level/Internal Environment and External Environment. It also reflects the dynamics of individualistic behavior and collective behavior and draws relevance in a working scenario to exhibit Organizational Culture. It also proposes a conceptual framework of Organizational Culture which has been derived to show the behavior dynamics pertaining to which manager takes up different roles to build Workplace Cooperation.*

**Keywords:** Organizational Culture, Organizational Learning, Workplace Cooperation

### Introduction

The aspects of organizational behavior has been greatly influenced by its psychological nature that is used for understanding Organizational Culture. It was dominated by several researchers in mid 50s when psychologists manifesta micro aspect and by 80s the viewpoint shifted to various theories and inference was drawn from these kind of behavioral and situational aspects. Soon in 90s scholars perceived that too much of attention was paid to behavioral aspects than organizational. Thus, the paradigm shifted to Organizational aspects which required the collaboration of psychological and organizational scholars which developed a multidisciplinary field (Porter, 1996; Schien, 1996). This perhaps induce to the concept of Organizational Culture.

The concept of culture has been centered to patterns of ideas, customs and behaviours which has been defined by researchers in distinguished manner. Since then it has been incurring significance in the field of organization which is an outcome of performance shown by the employees while working in coordination with one another. Therefore, it has been defined as Culture that is expressed and transmitted through artifacts, stories, myths and symbols (Martin, 1982; Siehl and Martin, 1981; Wilkins, 1980; Pettigrew,

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1979) which is prevailed in different people working in an organization. Often people seem to have different behavior depending on the situations. This makes it crucial to understand managerial role, work disparities, work cooperation among individuals. Although, workplace cooperation is manifested in member's willingness to work with each other it becomes imperative to know the aspects that are affecting the behavior pattern of individuals. Some researchers believe behavior as a function of person and environment (Lewin, 1935) and some believes that either personal characteristic (perception, values and beliefs) or situational characteristics (time, circumstances) influences the behavior pattern. We examine different parameter influencing the behavior pattern and best practices adopted by various companies to practice workplace cooperation. The parameters considered in the research are values and beliefs, perception, self-efficacy and collective efficacy.

### **Role of Proprietor**

Manager seems to be an intrinsic reality, acting as an interface between employees and organization. It is not a self-sustaining field but has its own support network such as peers, subordinates. The person who reaches at this stage attains something on the career progression path. But the thing that makes him a proficient leader differentiates him from others. He has to play different roles at the workplace to makes it amicable for employees to work with one another under his disseminated leadership. Sometimes, manager seems to be a powerful entity, efficient communicator, and excellent team Player.

### ***Manager as Powerful Entity***

He acts as a disciplinarian to maintain the norms which is to be followed by the employees. An entity with command of authority, an entrepreneur that focuses on activates for organization's performance, it basically follows the downward influence which is persuade by pressures, inspirational appeals, legitimacy, consultation. Some tactics are usually more effective than other depending on the type of person. This has been revealed by XY Theory (Douglas McGregor, 1957) where he proposed two theories which reflect the distinct behavior of individual that is either composed of behavioral characteristics defined in Theory X or Theory Y and according to which the behavior of manager is required to be modulated to control the subordinates.

### ***Influential Communicator***

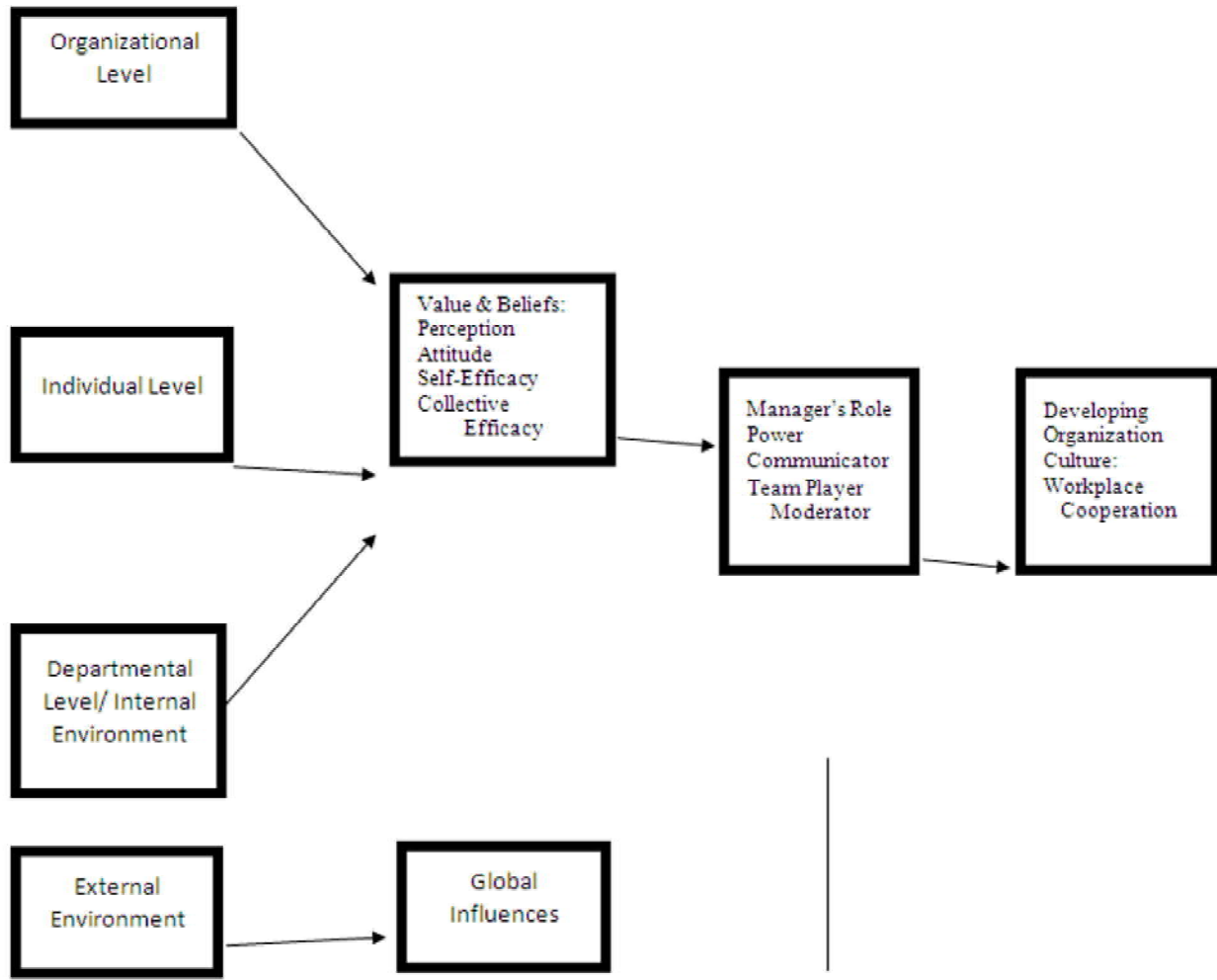
All managers, to some degree require communicating with their peers, subordinates and thus make them familiar to organization's mission, vision, values and objectives. The good communicator has clarity of information and motivates its employees to follow the preset norms to meet overall objective. Manager is not only confined to internal communication but also act as a spokesperson when he represents the organization to outsider.

### ***Team Player***

One cannot build a great team without great players. As the saying is "You can lose with good players, but cannot win without them." As mentioned earlier manager is not a self-sustaining figure, it requires the group of people to follow him and work in coordination and cooperation with one another. He provides his support and means for cognitive thinking.

Depending on the role of manager the employees might show differential behavior and thus, under the professional guidance of a figurehead (manager), an individual adapt to the dynamics of organization change and follows workplace cooperation. A conceptual model of Organization Culture embrace the role of manager in guiding the individual coming from diverse background influenced by individual value, beliefs and assumptions to work as a team player with coordination and collaboration with one another.

### Conceptual Framework of Organizational Culture



The model defines four aspects namely Organizational Level, Individual Level, Departmental Level or Internal Environment and External Environment. From these aspects, at *Organizational level* manager has to play an eminent role who communicates about Mission, Vision and Values of the organizations. Since, the individual enters to an organization with mixed feelings whether he will be able to confine himself to the surroundings and flourish his talent or has to struggle for making his identity. This individual is also not aware about the past of organization and thus, has to be communicated by his immediate boss and peers. This makes him develop an identity of the organization he is working with. Many companies these days undergo an orientation which might extend to one end or limit to one day where a new entrant is addressed to the organization’s mission, vision and values. This helps them understanding the work culture of the organization and prepares them to work in the same scenario.

**Inference 1:** The role of manager should be such that he interface the motive of organization and direct the work force to coordinate activities to attain the overall objective of the organization.

But at Individual Level, a person is influenced by various attribute that guide his behavior in the speculated period. An organization is built of these individual which carries diverse values, beliefs and form the assumption percipient to their beliefs which guide their behavior pattern. For example two individuals can form different opinion about their manager. To one, manager seems to be supportive and on the contrary the same manager looks like an

authoritarian to other individual. Hence, both individual behaves differently with the same manager, one can consider managers instructions as his guidance for achieving the success and always looks to be self-directed and motivated whereas the other views his instructions as dictate which if not fulfilled makes the subordinate liable to punishment. Therefore, this individual shows the negative attitude.

The behavioral aspect can be demonstrated as:

$$P = f(V) - (i)$$

$$\text{And } B = f(P, E) \text{ (According to Lewin, 1952) - (ii)}$$

Therefore,

$$OC = f(B) - (iii)$$

Where, P = Person/Individual, E = Environment, B = Behavior and OC = Organizational Culture. Individual (P) is influenced by his values and belief and thus, formulates perceptions about organizational climate and culture which influences an individual to show different behavior patterns depending on its Internal or External Environment.

Finally, the behavior of individual which is influenced by Internal of External fluctuations formulates the Organizational culture given by  $OC = f(B)$ .

**Inference 2:** Manager should focus to align the activities by understanding the behavioral dynamics of individual and motivate them to showcase collective behavior in order to support workplace cooperation to build Organizational Culture. Looking across the Departmental

Level or Internal Environment it becomes necessary to inspire an individual to work collegially in a team. Thus, propelling workplace cooperation which has been conceptualized as the willful contribution of employees to succeed in the completion of interdependent tasks (Wagner, 1995: 152). Collective and individualistic behaviors are shaped through disposition (Liebrand and McClintock, 1988). A person with high temperament to display his collective behavior and cooperate with others associates him to mutual benefit, shared goals, shared benefits and a team player, while a person with low spirit towards collective behavior will place priorities to soccer own benefits and therefore, shows individualistic behavior.

**Inference 3:** Manager as an influential communicator and a team player has to fabricate the best practices to develop workplace cooperation among individuals. The organization is not only influenced by abovementioned sources but experiences a great impact due to *External Environment* which is governed by Economic issues. Any instability experienced in business results in calamity for example global economy suffered due to the calamity in US economy resulting in different organizational behavior among individuals forcing them to search for jobs or low performance. The environment create certain behavior which makes it necessary to survive in a competitive environment.

**Inference 4:** Manager requires supporting the behavior that is influenced by such economic issues and helping subordinates to adapt the change and yet stay competitive in the market. Focusing on the different behavioral aspects manager has to play differential role to build organizational culture. As mentioned previously manager can act as a powerful entity, influential communicator, a team player depending on the behavioral aspects by increasing workplace cooperation and thus, promoting collective behavior.

## **IMPLICATION AND RECOMMENDATIONS**

The research comes across the behavioral implications where most of the times it becomes dubious to understand the behavior of individual that affects teamwork. Regardless of the fact there are various activities can be followed by organizations based on different scenarios of situations to demonstrate individual behaviours. These activities

can be attained by demonstrating the behavior through Role Plays, Management Games where individuals are put together in different situations and asked to work in that controlled environment. These impacts by making them understand the diverse situation that can arise during such situations which influences decision-making. The new hires should be exposed to the organization by conducting Induction such that they get familiar with the mission, vision and objective of the organization, which is mostly used in various companies. While working in teams, individual reflects different characteristics of their behavior which can be closely tracked by the superior. Thus, guiding him to understand group dynamics and the behavior of individual which will in turn help him in allocation of tasks and responsibilities to individual.

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## **TRENDS IN CORPORATE SOCIAL RESPONSIBILITY (CSR): A CASE STUDY OF SELECTED PUBLIC SECTOR ENTERPRISES IN INDIA**

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### **ABSTRACT**

*The obligation of the industry and big corporate houses towards the society are being fulfilled in one form or the other since the time these industries existed. In India, the corporate giants like Birla and Tata were practicing Social Responsibility in the form of donations and charity before formally accepting the CSR nomenclature. This paper examines how Public Sector Undertakings (PSUs) view and Conduct CSR, identifies key CSR practices and maps these against Global Reporting Initiative Standards. This paper attempts to explore Corporate Social Responsibility practices in PSU's in the context of rural development. The methodology of this study is based on Secondary data derived from internet-based research, review of literature and visit to Airports Authority of India (AAI), A Miniratna - Category -1 PSU to witness CSR practices. For the purpose of analysis, CSR initiatives for rural development were classified under five areas: livelihood, health, education, environment and infrastructure. The paper concludes that social responsibility is regarded as an important business issue of Indian public sector companies irrespective of turnover, sector and goal. The CSR actions, thus may have positive impact on the development of rural community as well as on PSU's business.*

**Key Words:** Corporate Social Responsibility (CSR), Trends, Indian Companies Act, 2013, Public Sector Enterprises (PSUs)

### **INTRODUCTION**

Businesses play an important role in the society, impacting the communities, regions as well as the individuals and environment. However, in the present day competitive environment, businesses must find new ways to address the social, economic, and environmental effects of doing business, while balancing the conflicting demands on their attention, time, and resources. This in fact demands the alignment of corporate social responsibility (CSR) with business strategy to create a truly sustainable business, in the established companies.

Over the last few years, an increasing number of companies worldwide have started promoting their business through Corporate Social Responsibility strategies because the customers, general public and the Investors expect them to act in sustainable as well as responsible manner. Global consumers have definitive expectations for the role companies should play in addressing social and environmental issues and are avidly considering CSR in a variety of decisions. Although there is strong support of CSR across all countries studied, there are distinct differences in market-specific consumer attitudes and behaviours. In some cases, CSR is a result of various social, environmental and economic pressures while in other cases, it is primarily a strategy to divert attention away from the negative social and environmental Impacts. It enables the company to leverage its products, employee strength, networks and profits and up to some extent to create a sustainable change for marginalized communities.

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Despite certain criticisms on the CSR activities, more companies in the world are inclining their strategies towards corporate social responsibility. The CSR Executives have the task of reconciling the various programs, quantifying their benefits, or at least sketching a logical connection to the business, and securing the support of business line counterparts. CSR can not only refer to the compliance of human right standards, labour and social security arrangements, but also to the fight against climate change, sustainable management of natural resources and consumer protection. The various practices followed by the corporate in different parts of the world differ significantly.

## **What is CSR?**

### **The global context**

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. This is evident in some of the definitions presented below:

The EC defines CSR as “the responsibility of enterprises for their impacts on society”. To completely meet their social responsibility, enterprises “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders”

The WBCSD defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

According to the UNIDO, “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”

From the above definitions, it is clear that:

1. The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses.
2. CSR needs to address the well-being of all stakeholders and not just the company’s shareholders.
3. Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits.

## **CSR: A Historical Perspective**

The concept of CSR in India is not new, the term may be. The process though acclaimed recently, has been followed since ancient times albeit informally. Philosophers like Kautilya from India and pre-Christian era philosophers in the West preached and promoted ethical principles while doing business. The concept of helping the poor and disadvantaged was cited in much of the ancient literature. The idea was also supported by several religions where it has been intertwined with religious laws. “Zakaat”, followed by Muslims, is donation from one’s earnings which is specifically given to the poor and disadvantaged. Similarly Hindus follow the principle of “Dhramada” and Sikhs the “Daashaant”.

In the global context, the recent history goes back to the seventeenth century when in 1790s, England witnessed the first large scale consumer boycott over the issue of slave harvested sugar which finally forced importer to have free-labour sourcing. In India, in the pre independence era, the businesses which pioneered industrialisation along with fighting for independence also followed the idea. They put the idea into action by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. The donations either monetary or otherwise were sporadic activities of charity or philanthropy that were taken out of personal savings which neither belonged to the shareholders nor did it constitute an integral part of business.

The term CSR itself came in to common use in the early 1970s although it was seldom abbreviated. By late 1990s, the concept was fully recognised; people and institutions across all sections of society started supporting it. This can be corroborated by the fact that while in 1977 less than half of the Fortune 500 firms even mentioned CSR in their annual reports, by the end of 1990, approximately 90 percent Fortune 500 firms embraced CSR as an essential element in their organisational goals, and actively promoted their CSR activities in annual reports (Boli and Hartsuiker, 2001).

## **CSR in India**

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India’s freedom movement, and embedded in the idea of trusteeship.

As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company’s relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

### **The relevance of CSR within an organization**

CSR is not only relevant because of a changing policy environment but also because of its ability to meet business objectives. Undertaking CSR initiatives and being socially the following:

1. Strengthening relationships with stakeholders
2. Enabling continuous improvement and encouraging innovation
3. Attracting the best industry talent as a socially responsible company
4. Additional motivation to employees
5. Risk mitigation because of an effective corporate governance framework
6. Enhanced ability to manage stakeholder expectations engaged in CSR are revisiting their strategies and expanding inclusivity in growth.

### **The Companies Act, 2013**

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director.

The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

The Act lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act.

### **CSR and SMEs**

#### **What are SMEs?**

Small and medium enterprises (SMEs) significantly contribute towards India's economic growth. These serve independently and also as ancillary to larger units and help generate employment and industrialise the rural and backward regions of India. They employ nearly 40% of India's workforce and contribute around 45% to India's manufacturing output<sup>20</sup>.

#### **What do they do?**

The business activities of SMEs are performed in proximity to the locals. This enables them to be aware of community needs, manage expectations and develop CSR programmes appropriately.

Now that the CSR clause in the Companies Act, 2013 covers companies that have a net profit of five crore INR and above, it is expected that while micro-enterprises will not qualify, many small and medium enterprises (SMEs) will.



SMEs are being treated separately in this handbook because of their distinct features. The CSR activities of these enterprises are driven by the personal interests of promoters who hold a significant financial stake in the business. They tend to be in clusters and engaged in similar business activities. While the quantum of revenue available for CSR with individual SMEs is expected to be small, all eligible companies in a specific geographical cluster, who single handed as well as collectively impact the same community, can pool their resources to create a sizeable CSR fund.

### **How can SMEs contribute to CSR initiatives?**

This section analyses the option of undertaking collaborative CSR activities by SMEs. This collaboration can also be used by other companies to maximise the impact of their CSR initiatives while reducing the operational costs for fund management.

### **LITERATURE REVIEW**

**Blowfield, M. (2015)** found a critical approach to CSR not only requires us to ask how CSR affects company behaviour in developing countries, but also to ask if, and how, business is affecting the meaning of development itself. The author argues in this article that business is indeed affecting development, and one of the ways this happens is by allowing business thinking to dominate the way we view the world and to become the norm against which everything else is tested for true and false value.

**Chaudhary and Wang (2017)** found that the number of companies with disclosures on internet is noticeably low in India in top 100 Information Technology companies. Though the study did not attest the lack of CSR activities but it certainly attested lack of proactive CSR communication, simply put the companies carried out CSR activities but did not disclose them properly.

**Hossain and Reaz (2017)** investigated the extent of voluntary disclosures by 38 listed banking companies in India. The empirical research concluded that the size and assets were the significant factors influencing disclosure whereas age, diversification, board composition and multiple exchange listing and complexity of business are not significant variables influencing social reporting practices of Indian banking companies.

**Murthy (2018)** examined the corporate social disclosure practices of the top 16 software firms in India. The 2003–2004 annual reports were analyzed using content analysis and it was found that the human resources was the most frequently reported followed by community development activities and the environmental activities was the least reported. Most of the information was qualitative and was disclosed in the „other sections of the annual report. Some firms had separate sections for each category while many others disclosed their social practices in the introductory pages of the annual report. The researcher suggested that shortage of skilled labour in the software sector might have lead to social disclosure (CSD) practices in the human resources. Firms seemed to have engaged in community development activities without expecting changes to their economic performance and the CSD of community activities seemed to be shaped by the expectations of the society.

**Jatana and Crowther (2018)** edited book named “Corporate social responsibility – theory and practice with case studies” has shed light on myths of Corporate social responsibility, value addition, Globalization perspectives on corporate governance whistle blowing policies as corporate social responsibility and other contemporary issues in corporate social responsibility. In addition, it dealt with various case studies related to various industrial sectors insurance, private banking, SMEs, Information Technology, power generation sectors and companies like Abuja cements, Coca- Cola. In all these articles details of current projects pursued by companies has given but the CSR has not been measured as such.

**Plankenet al. (2019)** investigated CSR platforms and the communication surrounding those platforms in India and established that the CSR platforms are typically used, together with stakeholder attitudes to both the form and content of those platforms. The authors presented the fact that the selected Indian corporations pursued a primarily philanthropic platform with a focus on community development projects, as predicted by previous studies. It also indicated, however, that Indian consumers may not value philanthropic CSR as highly as other CSR initiatives.

### **OBJECTIVES OF THE STUDY**

The present study has undertaken in two Maharatna and one Miniratna PSU, with the following objectives.

1. To study and understand the CSR initiatives being taken by selected public sector undertakings (PSUs) for rural development.
2. To assess the impacts of CSR actions on socio- economic development of rural population.

### **RESEARCH METHODOLOGY**

To study the above objectives, three public sector undertakings (PSUs) (two Maharatna and one Miniratna) have been selected. The selected companies were from different industrial sectors like.

1. Aviation - Airports Authority of India (AAI),
2. Steel - Steel Authority of India Limited (SAIL)
3. Power –National Thermal Power Corporation (NTPC)

The methodology of the present study was to analyse the secondary data obtained from web- based research, review of print literature etc. to understand CSR practice within the context of rural development in India. For the purpose of analysis, CSR initiatives for rural development were classified under five areas: livelihood, health, education, environment and infrastructure.

### **IMPACT OF CSR PROGRAMS ON RURAL POOR**

The impact of CSR programs reflected by a sample of three public sector undertakings were classified under five areas: livelihood, health, education, environment and infrastructure.

#### **Livelihood:**

**AAI** have started a six months skills development programme “AASHA” in 2012 for unemployed women living in ‘Sanganer’ area near Jaipur Airport. The programme trains 180 women in 16 batches on cutting and tailoring, soft toys making and tie and dye.

**SAIL** is constantly working to identify various areas where training and help to the communities can be imparted so as to make them self-sustaining units that can generate incomes for themselves. During the last three years, SAIL has provided vocational training to around 44,000 people in and around SAIL Plants/ units

**NTPC** takes up Vocational Training programmes like Web page designing, Computer training, Motor rewinding, Motor Driving, General Electrical/ Mobile Repairing, Cutting, Tailoring, Stitching, Dress Designing, Beautician, Embroidery, Food Preservation/ Processing etc. Skill up gradation programs for women, to promote self-employment, include tailoring and providing sewing machines. All these activities have benefitted around 3,000 individuals during 2011-12.

**Health:** The study shows that all the surveyed PSUs organize a number of health camps to create health awareness and sensitize people on health related.

**AAI** organizes health camp every quarterly catering medical facilities to a large number of people.

**SAIL** organized more than 3850 camps in 2009-10, benefitting over 2.32 Lakh people. Over the years, SAIL has established 54 primary health centers, 12 reproductive & child health (RCH) centers, 17 hospitals and 7 super-specialty hospitals to provide modern health care to more than 30.60 million people.

**NTPC** provides subsidized medical facilities to surrounding community at project/ station hospitals, provides support for three specialized Eye Centres at Bhubaneswar Eye Hospital, directly observes treatment cum designated microscopy centre (DOTs cum DMC) with Mobile ambulance facilities run by 12 NTPC hospitals through NTPC Foundation under Revised National Tuberculosis Control Programme (RNCTP) registering about 23000 patients and providing treatment to more than 2400 patients. In addition stations regularly take up activities like Mobile Health Clinics, Health Camps, Family Planning Programs, De-addiction camps/ Programs, Health related infrastructure in neighborhood villages, benefitting over 2,00,000 persons during 2011-12

#### **Education:**

**AAI** has undertaken establishment of a computer training centre to facilitate basic computer skills for the children and to provide infotainment for senior citizens of Ayudhyam for a total cost of Rs. 7,10,000/- .

**SAIL** has established about 146 schools in its steel townships to impart modern education to more than 69,000 children. Besides, the company provides assistance in the form of construction of additional rooms/boundary walls/toilets, provision of stationery/sports items, etc., to over 286 schools with around 14,000 students.. Consequently, in terms of completion of primary education (up to class 5), SAIL-managed schools have the distinction of having a survival rate of 93.12% and 90% in secondary education.

**NTPC** earmarks 15%-20% of CSR-CD budget for education. NTPC runs 48 schools at stations out of which 23 schools are predominantly for nearby community benefitting about 20,000 such students.

**Environment:** For sustainable management and development of natural resources, many companies have been working for tree plantation, watershed management, waste management, wind farm etc.

**AAI**, became the first PSU in India to establish a Paper Recycling Unit to support the cause G.R.O.W. (Government Recycled Office Waste). AAI Paper recycling Unit has produced approx. 158 tons of paper valuing Rs.1, 44, 00,000/- till November, 2013. AAI constructed waste management facility and biogas plant to produce electricity for fan and lights facility in the open fish market at Perunelli Junction near Trivandrum Airport.

**SAIL** restored 200 acres of degraded land through afforestation at Purnapani flux mines of SAIL in Orissa by planting saplings which includes horticulture species, forest species and a variety of grasses. Pisciculture has been done in the abandoned quarries at Purnapani and 300,000 fish lings have been released in the quarry waters. Further 30,000 saplings of 50 different species have been planted in this season and another 5 lakh fish lings have been released in the quarry water.. Plantation of 10,000 saplings in 10 acres of degraded

land has been planned. Out of that, plantation of 4,000 saplings has been completed at Barsua Iron Ore Mines. Medicinal plantation of amla was undertaken in Chhattisgarh region recently.

**NTPC's** one of the CSR Objectives is to lead the sector in Environment Protection.

**Infrastructure:** Out of the PSUs surveyed only two PSUs are providing different infrastructural facilities like construction or development of roads, electricity, water facility, sanitation, school, health centre etc. on a war footing level and AAI's role is marginal.

**AAI** undertook construction of roofing, compound wall and toilet facility in the open fish market at Perunelli Junction near Trivandrum Airport. Airports Authority of India under their Corporate Social Responsibility Programme constructed 2 km long c.c footpath from Gurung Turning to Dikling Senior Secondary School.

**SAIL** has been involved in the construction and repair of pucca roads per year, thereby providing communication facilities to nearly 2 lakh people across 329 villages every year. This compares well with the national average of 25.82 km per million population. In the year 2009-10, 103.35 km of pucca road were constructed benefiting 17, 24,114 people. Till March 2010, more than 73 lakh people across 435 villages reaped the advantage of the modern network of roads built by SAIL.

**NTPC** provided support, for street lighting from Gaurikund to Kedarnath, for construction of about 5 Km road from NH-200 to State Highway-63 in Angul & Talcher subdivision and supply of drinking water through pipeline to 4 Villages in the neighbourhood of Kaniha. NTPC also takes up activities related to construction of Community Halls/ Buildings/ Centre, Anganwadis, Local Markets, Panchayat Ghar, Cremation ground, bus shelters, drinking water related activities like installation of pumps, Piped water system, Over Head Tanks, RO Plants, Drinking Water Tankers, Wells, Construction and Deepening of Ponds, Lakes & Bathing Ghats etc. Sanitation related activities include Surface Drains and Toilets in neighbourhood villages. It has benefitted over 4, 00,000 people during 2011-12.

## **CONCLUSION**

Today, Corporate Social Responsibility has become a worldwide concept whereby organisations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. It is one of the most important global issues with serious challenges and implications on almost all sectors. Surging economies, including India, are coping with issues related to poverty, child rights, community welfare etc. and are a hotbed for an innovative CSR Scenario which is still shaping up. As India rides the wave of economic boom and commercial success, corporate social responsibility is presenting itself both as an opportunity and an important requirement for corporates to be engaged in. This will help corporates in their brand building and also contribute towards faster and more balanced growth of our society. Corporate Social Responsibility is not a fad or a passing trend, it is a business imperative that many Indian companies are either beginning to think about or are engaging with in one way or another. While some of these initiatives may be labelled as corporate citizenship by some organisations, their basic message and purpose is the same. A successfully implemented CSR strategy calls for aligning these initiatives with business objectives and corporate values thereby integrating corporate responsibility across the business functions and enhancing business reputation. The challenge for us is to apply fundamental business principles to make CSR sharper, smarter, and focused on what really matters.

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## DIGITAL FINANCE AND FINANCIAL INCLUSION: A STUDY ON INDIAN CONTEXT

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### ABSTARCT

*In the present corporate world digital revolution is dramatically changing the face of the financial services industry. Financial institutions are the mechanism in the economic growth and progress in the modern era. In this respect, there is a rapid thrust for financial inclusion, more so in emerging economies, such as India. Digital financial services are vital to the public as it boosts security for their cash and it's more convenient compared to keeping money at home or travelling with the money. However, the provision of digital finance involves the participation of different players such as banks/ financial institutions, mobile network operators, financial technology providers, regulators, agents, chains of retailers and clients. The objectives of this research paper at determining the effect digital finance on financial inclusion in the banking industry in India. Digital financial services consisted of agency banking, mobile banking and internet banking while financial inclusion was proxies using credit penetration. The researcher uses the descriptive statistics for this research work. The research employed secondary data, which is analyzed using correlation analysis. The study used a sample of 10 banking institutions in India. The study found an insignificant negative relationship between agency banking measured in term of the number of agents, mobile banking measured by the number of mobile banking transactions and internet banking measured in terms internet banking transactions with financial inclusion in the banking industry in India. The study concluded that digital finance doesn't have any correlation on financial inclusion in the banking sector in India. The study recommended the adoption of digital financial services bank should create more awareness of such services and offer them at the lower cost to enhance the usage of digital financial services.*

**Keywords :** Financial inclusion, Digital finance, Financial stability, Financial institutions

### Introduction

Computerized innovation assumes a basic part in the day by day lives of numerous, especially needy individuals in creating countries. Digital financial services provide the means to overcome such obstacles, and can contribute to national economic growth (Asian Development Bank, 2016) and financial inclusion. Digital finance has been internationally regarded as an adequate means of providing opportunities to promote financial inclusion through reduction of costs of providing these services (Asian Development Bank, 2016). Advanced

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account administrations are an inexorably turning into an essential part of the nexus amongst improvement and money related consideration. The utilization of computerized money related administrations has become essentially as of late among numerous individuals who have practically zero past involvement with formal monetary administrations (Villasenor, Darrell & Lewis, 2015).

The expansion of digital payment platforms has offered the opportunity to link poor people with providers of savings, credit, and insurance products (Radcliffe & Voorhies, 2012). Further, advanced account administrations developments and business sector improvements have opened open doors for lower-salary individuals with deficient money related administration choices (McKee, Kaffenberger & Zimmerman, 2015).

### **Digital Finance**

This refers to arrangement of some blend of money related and installment benefits that are conveyed and oversee utilizing portable or Web advances and a system of specialists (Peake, 2012). As per the World Bank (2015), computerized money related administrations allude to the utilization of advanced innovations (web, versatile correspondence innovation) to get to monetary administrations and execute budgetary exchanges. Thus, digital financial services generally refer to the far-reaching technologies available to perform financial services from a widespread range of providers to an extensive category of recipients. This is possible by use of digital remote means including e-money, mobile money, card payments, and electronic funds transfers (Asian Development Bank, 2016). Computerized Financial Services (DFS) are basically about sparing cash, getting to credit and protection, and performing exchanges through advanced channels like cell-telephones, cards, PCs, tablets, etcetera (Martin et al., 2016). Digital financial payment products allow users to access funds from far-flung business people, relatives and friends during moments of crisis, reducing the likelihood that they will fall into poverty, to begin with (Klapper, El-Zoghbi & Hess, 2016). Advanced budgetary administrations, for example, versatile cash furnish people with more prominent accommodation, protection, and, as a rule, improved security contrasted with putting away money at home or going with money (Villasenor, Darrell & Lewis, 2015). Computerized back likewise assumes an essential part for little organizations as it gives them access to fund alongside secure budgetary items, electronic installment frameworks and an opportunity to assemble a money related history (Mujeri, 2015). Mobile money services are used to keeping money administrations, execute budgetary exchanges and cover both value-based and non-value-based administrations (Martin et al., 2016). Another sort of DFS is web saving money, which alludes to a web entry by which customers can utilize different sorts of keeping money administrations going from bill installment to making speculations (Nicoleta, 2009).

### **Financial Inclusion**

This refers to the access and applying set of adequate financial services by households and firms is essential for advancement as it can help poor family units enhance their lives while likewise impelling financial movement (IDB, 2015). Budgetary incorporation likewise implies that formal money related administrations, for example, store and bank accounts, installment administrations, credits and protection are readily available to consumers and that they are actively and effectively using these services to meet their specific needs (Klapper, El-Zoghbi & Hess, 2016). Financial deepening on the other hand is the change or increment in the pool of monetary administrations that are custom fitted to the necessity of all levels in the general public (Bharat, 2014). The impact of expanding financial inclusion goes well beyond financial deepening and spans over a wide range of development goals (IDB, 2015).

Money related incorporation is additionally the method for interfacing three mists. That is a physical money cloud which is the legacy budgetary framework where most destitute individuals work today, a computerized cloud where cash is put away in a virtual record and a mental cloud (i.e. the mind) through which individuals decipher and arrange their money related lives (Radcliffe & Voorhies, 2012). Monetary consideration is used in portraying the low popularity of the financial institutions and as individuals have an opportunity to benefit from such institutions especially in accessing budgetary funds from reserves and financial advice as well (Hannig & Jansen, 2010). Budgetary incorporation assumes an imperative part in advancing all around oversight monetary extending in low- wage states upgrades strength and ability to adapt to stuns, enhance macroeconomic adequacy, and bolster strong and tough comprehensive development (Bharat, 2014).

Financial inclusion is viewed as a vital method for reducing destitution and advancing a nation's more extensive monetary improvement (Buckley & Malady, 2015). Money related consideration cultivates comprehensive development as more fluctuated and open budgetary administrations bolster development and diminish destitution and imbalance. Budgetary consideration bolsters the perspective that advancement in money related part prompts the improvement of the economy all in all (Bharat, 2014).

### **Effect of Digital Finance on Financial Inclusion**

Digital financial services are held out as key money related answers for enhancing monetary consideration (Buckley & Malady, 2015). The methodology of DFS has presented positive effect by initiating neighborhood and rustic economies through expanded cash dissemination, business development and work opportunities (European Investment Bank, 2014). Achieving financial inclusion requires bridging the gap between cash and digital payments (Dayadhar, 2015). Through digital financial services, poor households often need to accumulate sums of cash to invest in their micro-enterprises and to maintain precautionary cash to ensure that unexpected shocks. In addition, once customers are connected to a digital payment system, they are able to transfer money instantly and cheaply to friends, family and business collaborate (Radcliffe & Voorhies, 2012). Andrianaivo and Kpodar (2011) considered the relationship between data correspondence innovation, monetary incorporation, and financial development and found that the spread of cellular telephones reinforces the impact of money related consideration on monetary development, especially in nations where portable budgetary administrations grab hold.

### **Research Problem**

Digital financial services furnish people with more noteworthy comfort, protection and improved security contrasted with saving money at home or carrying the money (Villasenor, Darrell and Lewis, 2015). However, the provision of digital finance involves the participation of different players such as banks/financial institutions, mobile network operators, financial technology providers, regulators, agents, chains of retailers and clients. The interaction of these actors and the conditions of the regulatory environment and market archetype pose complexities to all participants (Arenaza, 2014) thus negating their role in financial inclusion. Digital finance mechanisms also require a foundation of dependable and productive bases to make the services user-friendly, secure, and cost-effective manner (World Bank, 2015). Additionally, several scholars have also explored the concepts of digital finance and deepening financial inclusion. A study by Buckley and Malady (2015) concluded that digital financial administrations in developing markets experiences constrained up take and use thus; they



may have little effect on financial inclusion. Karpowicz (2014) found that bringing down imperatives on insurance guarantees higher development while money related avoidance can be handled through measures that lower the monetary interest cost.

### **Research Objective**

To examine the effect of digital finance on financial inclusion in the banking industry in India.

### **Literature Review**

According to the theory, financial innovation is a critical motivating force of the financial system, which leads to better economic competence and enhanced economic advantage derived from the new and frequent changes (Sekhar, 2013). Financial innovations define financial developments by coming up with new ways of production, technological solutions, creating better environment boosting the country's economy in general. The theory posits that the innovativeness improves the firms' competitive edge of a corporate and generates more earnings to the investors (B<sup>3</sup>ach, 2011). Innovation is a tool used to solve, manage and transfer the entire extra burden. The application of innovations promotes growth of financial entities through improved allocation, efficiency and a reduction of financial and administration costs (Sekhar,2013). The TAM affirms that the systems real utilization is established by each user's behavioral intention for usage and is inspired by an individual's perception to the system. The theory also explains that the perception towards new technology has a direct relation to its functionality as well as the simplicity of the system (Lim & Ting, 2012). TAM considers that acceptance of technology and functionality is influenced by consumer's intentions that establish the customer's perception towards system (Mojtahed,Nunes&Peng,2011).The theory also supports that the recognitions or suspicions about the advancement are instrumental in the improvement of states of mind that will in the long run result in system usage conduct (Lim & Ting,2012).

The dispersion of Innovation hypothesis looks at the rate at which new advancement are spreading, how the new development is spreading and reasons why it is spreading with a specific end goal to research the elements influencing the selection of new data innovation advancement (Monyoncho,2015). Ranjani and Bapat (2015) analyzed whether individuals who have ledgers alongside access to different wellsprings of credit use financial balances adequately and whether holding financial balances encourage managing an account propensities in these individuals. This examination undertaking was led crosswise over 550 respondents for the most part borrowers of microfinance organizations to find out whether they had financial balances and what their observations about banks were. This study reasoned that basically having a record with a bank did not bring about the borrowers utilizing saving money administrations and that they liked to manage organizations that permitted more adaptable administrations than the bank.

### **Research Design**

The research employed secondary data. Data on digital finance comprised of three digital finance services used in the banking industry in India namely agency banking, mobile banking and internet banking. A sample design is a system or the methodology the scientist embraces in selecting things for the example. This study used a sample of 10 banking institutions in India for the time period of 3 years (2015-2018). The population for this study was made of the 10 banking in India, which are licensed and regulated by the Central bank of India. These banks are SBI, Indian Overseas Bank, ICICI, HDFC, Yes Bank, UCO Bank, Canara Bank,

Axis Bank, Vijaya Bank, HSBC. The data collected was analyzed using correlation analysis. Correlation analysis was used to determine the nature and the degree of the relationship between the dependent and independent variables. Simple linear Regression analysis has been used to study the relationship between the dependent variable i.e. “Y” ( Financial Inclusion ) and independent variables i.e. “ X<sub>1</sub>” ( Agency Banking ) , “ X<sub>2</sub>” ( Mobile Banking ) & “ X<sub>3</sub>” ( Internet Banking ).

**Analytical Model**

Mathematically, the regression equation was expressed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + s$$

Where; Y = Financial inclusion determined using credit penetration as a proportion of total loans and advances to gross domestic product (GDP)

X<sub>1</sub>= Agency banking determined using natural log of the total number of agents offering agency-banking services

X<sub>2</sub>= Mobile banking determined using natural log of total mobile banking transactions

X<sub>3</sub>= Internet banking determined through natural log of total internet banking transactions

$\beta_0$  = Constant

$\beta_1, \beta_2$  &  $\beta_3$  = Regression coefficients

s = Probable error term

**DATA ANALYSIS, RESULTS AND INTERPRETATION**

**Table 1.1 Descriptive Statistics**

	Minimum	Maximum	Mean	Std. Deviation
Financial Inclusion (ratio)	.011	1.130	.28285	.334670
Number of agents (ln)	8.7800	10.6100	9.928000	.6640829
Mobile banking transactions (ln)	15.9600	16.3800	16.202000	.1586041
Internet banking transactions (ln)	10.9600	11.7100	11.502000	.2811646

*Source: Research Findings*

Table 1.1 indicates that financial inclusion had a mean value of 0.283 and minimum and maximum values of 0.11 and 1.130 whereas the average number of agents in terms of natural log was 9.928 and minimum and maximum values of 8.78 and 10.61 respectively. The results on the table also indicate that average mobile banking transactions in terms of natural log was 16.02 and minimum and maximum values of 15.96 and 16.30 while the average internet transactions in terms of natural log was 11.502 and minimum and maximum values of 10.96 and 11.70 respectively.

**Correlation Analysis**

**Table 1.2 Correlation Matrix**

	Financial Inclusion	Number of Agents	Mobile banking transactions	Internet transactions
Financial Inclusion	1			
Number of agents	-.128	1		
Mobile banking transactions	-.135	.982**	1	
Internet banking transactions	-.098	.920**	.831**	1

\*\* . Correlation is significant at the 0.01 level

Source: Research Findings

Table 1.2 shows that agency banking measured by the number of agents, mobile banking measured in terms of mobile banking transaction and internet banking measured in terms of the total internet banking transactions had a negative correlation with financial inclusion.

**Model Summary**

Table 1.3 illustrates the model summary results

**Table 1.3 Model Summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.210 <sup>a</sup>	.044	.007	33.590440

a. Predictors: (Constant), Internet banking transactions, Mobile banking transactions, Number of agents

Source: Research Findings

Table 1.3 indicates that the R square (coefficient of determination) is 0.044, which indicates that, the independent variables explains only 4.4% of the variation in the dependent variable (financial inclusion). Thus, 95.6% is explained by other factors not considered by the research.

**Interpretation of the Findings**

The study found that that agency banking, mobile banking and internet banking negatively and insignificantly influences financial inclusion in the banking industry in India. It also indicates that the three forms digital financial services (agency banking, mobile banking and internet banking) adversely affect financial inclusion in the banking industry in India. The study also found that agency banking, mobile banking and internet banking have a weak negative correlation with financial inclusion. Thus, an indication that agency banking, mobile banking and internet banking move in the opposite direction and has a weak effect on financial inclusion the banking sector.

As such, Mbutor and Uba (2013) established that growing financial inclusion improves the effectiveness of monetary policy however; the number of bank branches had the wrong sign because by opening branches, banks mainly

pursue profits but not financial inclusion. Thus, opening more branches is a policy objective and there may be clusters of branches, which are under-utilized in numerous locations. Ranjani and Bapat (2015) found that to be able to achieve financial inclusion, it is not enough if bank accounts are opened and by simply having an account with a bank did not result in the borrowers using banking services and that they preferred to deal with institutions that allowed more flexible services than the bank. However, An drianavo and Kpodar (2011) found that the spread of mobile phones strengthens the influence of financial inclusion on economic growth, particularly in countries where mobile financial services take hold.

## **Conclusions**

The findings of the study found that agency banking, mobile banking and internet banking negatively and insignificantly influence financial inclusion in the banking industry in India. This study concludes that agency banking, mobile banking and internet banking negatively affects financial inclusion and that the three forms digital financial services (agency banking, mobile banking and internet banking) adversely and in significantly affect financial inclusion in the banking industry in India. Overall, the study concludes that digital finance does not have a significant effect on financial inclusion in the banking sector in India. Thus, banking institutions adopt digital financial services to lower operating cost associated with opening and operating more branches to improve their profit ability and financial performance and not to foster financial inclusion. Additionally, the study observes that the adoption of digital financial services is more of a competitive strategy and policy used by banking institutions to increase their bottom lines and not a financial inclusion strategy.

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## **WORKFORCE STRESS MANAGEMENT: A COMPARATIVE STUDY BETWEEN GOVERNMENT AND PRIVATE EMPLOYEES OF ODISHA**

**Mr. Samira Patra<sup>1</sup>**

### **ABSTRACT**

**Introduction:** *In the present competitive and digital era, stress management is the major issues in the workforce of both private and government organisations/departments. The authority or leaders and manager of the institutions should adopt workplace stress management strategies which will lead to reduce stress levels within the employees in the organisations. Workforce stress can leads to deterioration in the performance of the employees or may leads to sickness of employees. The causes of workforce stress may lie in the workforce itself, or in the employee's private circumstances, or in a combination of both. Whatever the reasons may be, it affects performance of employee.*

**Research Gap:** *Numerous volumes of scholarly researches have been conducted in the field workforce stress management, still then there are no such research has been conducted on Workforce Stress Management and particularly as a comparative study on workforce stress management of government and private employees in Cuttack and Bhubaneswar of Odisha State.*

**Objective of the Study:** *This is an attempt to study the workforce stress management of government and private employees in Cuttack and Bhubaneswar of Odisha.*

### **Research Methodology:**

**i) Method of data Collection:** *The present study is based on both primary data and secondary data. Primary data have been collected through well-defined questionnaire and direct interviews methods. ii) Sample Size (Sources of Primary Data):* *The sample data size consists of 100respondents which include Govt. employees of different departments of Odisha State Government and Private Company, Banks and other private organisations. iii) Sources of Secondary Data:* *The secondary data have been collected through a well planned approach and these have been collected from various secondary sources i.e. e-journals, e-magazines, e-annual reports of companies and from various reputed websites. The collected data have been classified and tabulated according to the requirements of the study. iv) Statistical Tools:* *There are various statistical tools like mean, standard deviation; t-test, Llikert 5 points scale for ranking the causes of workforce stress have been used for the analysis and interpretation of results.*

**Conclusions:** *It is concluded that private sector employees have more workforce stress than government employees in Cuttack and Bhubaneswar of Odisha State.*

**Keywords:** *Workforce Stress, Private Employees, Government Employees, performance, stress management*

### **INTRODUCTION:**

Presently we are living in a dynamic and fast moving era, where stress is a very common and crucial factor. It never settles in anybody's life. By the passage of time, one after one stress coming with challenging and changing phenomenon. All the people in the world are suffering from different kinds of stress and in different stage of life. It may workforce stress or it may be personal stress in the family, society etc. Workforce stress is presently increasing due to technological development and IT age. Stress is an unavoidable factor of every life and work.

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The workplace stress is very challenging factor in the Technological era. In the competitive age all the organisations are running with an aim of getting competitive advantage over their competitors. So the ultimate pressures and burden of works are being enforcing to the employees working in the organisations. There are lots of causes are being enforce in workplace. These may include trauma, low or no change management, bad management practices, client and peer demands, working environment, employee relationships, lack of resources, team or individual skill sets, role conflict and poor ergonomics etc.

The above factors may differ from work environment of any Govt. Dept. / Organisation to Private workforce. The bird's eye views indicating in the govt. workforce stress are contractual recruitment, exploitation by higher authority for regularization, pending works etc. The private sector stress can be divided into four groups. Firstly, the working conditions, including and week-end work, inadequate remuneration, hours of work, discrimination and safety at the work environment. Secondly, relationships at work including quality of relationships with peers, subordinates. Thirdly, role conflict and ambiguity including ill-defined role, functions, expectations and duties fourthly, organization structure and climate which includes communication policy and practice, major changes in the workplace, culture of the organization, and lack of participation in decision –making another cause is career development including underutilization of skills or failing to reach full potential.

#### **REVIEW OF LITERATURES:**

There are number of studies carried out by various researchers in this area. Some selected research works are portrayed as follows:

**Malik, N (2011)** in his research paper “A study on occupational stress experienced by private and public banks employees in Quetta City” studied the workplace stress of public and private banks employees in Quetta City and he found that private bank employees have more stress than public banks employees in Quetta City.

**Rashid S and Rashid U (2012)** in their paper “Work Motivation Differences between Public and Private Sector” studied work motivation differences between public and private sectors. They concluded that public sector employees have more motivational factors than Private.

**Christian and Mahalakshmi (2013)** in their paper “Role Stress and its Impact on Public and Private Sector Managers in Chennai: An Empirical Study” studied stress of public and private managers. They concluded that Private Managers have more stress than public manager.

**Shobana, Nisha, and et. el. (2016)** in their study “A comparative study on occupational stress among women working in Government and private sector” studied occupational stress of working women of private and government employees. They concluded that Women working in government sectors have less stress than private sector.

**Vichiya, P(2017)** in his study “ A Study of Job Stress in Government and Private Employees” studied the Job stress in Govt. and Private Employees and He concluded that Government employees have lesser Job stress than Private Employess.

#### **RESEARCH GAP:**

Ano. of good research paper has been conducted and also published on the Workforce Stress Management. But there is no remarkable research has been made on Workforce Stress Management and particularly as a comparative study on workforce stress management of government and private employees in Cuttack and Bhubaneswar of Odisha State. So, this is an attempt to study the workforce stress management of government and private employees in Cuttack and Bhubaneswar of Odisha State.

**OBJECTIVES OF THE STUDY:**

1. To study the workplace stress of government and private employees in Cuttack and Bhubaneswar of Odisha State.
2. To study the workplace stress experiences of government and private employees in Cuttack and Bhubaneswar of Odisha State.

**HYPOTHESES:**

**H<sub>0</sub>1** There is no significant difference between the mean of the score of the workforce stress of government and private employees.

**H<sub>0</sub>2** There is no significant different in the mean of the score of the workforce stress of still 5 years and above 5 years of employees

**RESEARCH METHODOLOGY:**

**1. Sample Size:** In accordance with the aim of the present study totally 100 employees were randomly selected which includes 50 government and 50 private sector employees. The primary data have been collected in equal number from Cuttack and Bhubaneswar.

**2. Statistical Tools for Analysis** To analyze the collected data, the following statistical devices were used. 1. Mean, 2. Standard deviation, 3. ‘t’ test and 4. Llikert 5 points scale for ranking the causes of workforce stress. One tool i.e. Personal Data Sheet was used for the present study is as follows.

**3. Personal Data Sheet:** A personal data sheet was prepared to collect the information from the person under experiment the personal data sheet contains detail about age, income, types of family, job experience types of job i.e. private or government etc. through a well defined questionnaires.

**DATA ANALYSIS AND INTERPRETATION:**

The aim of the present study was to study stress of private and government employees. The collected data is given in the following table.

Ho1 There is no significant difference between the mean of the score of the job stress of government and private employees.

**Table no. 1: Showing ‘t’ score of the Job Stress of Government and Private Employees**

Sr.	Particular	N	Mean	SD	‘t	Significant level
1	Government employees	50	141.20	3.89	5.90	0.01
2	Private employees	50	177.90	3.80		

(Source: Collected and Compiled from Field Study)

The table no 1 shows that the numbers of government and private employees are 50 each. The means of the workforce stress of government and private employee under ‘t’ test is found 5.90 which shows the difference of 0.01 at the level of Significance.

**Ho<sub>2</sub>** There is no significant difference between the mean of the score of the job stress of still 5 years and above 5 years of employees.



**Table no. 2: Showing ‘t’ test of the workforce Stress between < 5 years and 5 years Employees (mixed of private and government employees)**

Sr.	Particular	N	Mean	SD	‘t	Significant level
1	5 years	53	160.02	24.50	5.90	0.01
2	Above 5 years	47	151.45	27.09		

(Source: Collected and Compiled from Field Study)

The above table no 2 shows that the numbers till 5years and above 5 years of employees’ experiences are 53 and 47 respectively. The means of the workforce stress of the till 5years and above 5 years of employees experiences are 160.02 and 151.45 respectively. The ‘t’ test is found 0.70 which shows the not significant difference between till 5years and above 5 years of employee’s experiences. So, the fact of hypothesis is accepted and it can be concluded that there is no significant difference between till 5years and above 5 years of employee’s experiences.

**Table No. 3: Ranked of products by Likert 5 point scale**

Rank	1	2	3	4	5	Total	Total Score	Rank
<b>Reasons for Stress</b>	<b>No. of respondents</b>							
Bad Management Practices	36	24	18	16	6	100	368	1
Working Environment	30	20	14	18	18	100	326	3
Employee Relationships	4	14	16	30	36	100	220	5
Role Conflict	10	18	20	24	28	100	258	4
Lack of Resources	20	24	32	12	12	100	328	2
<b>Sample Size(N=100)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>1000</b>	<b>1500</b>	

(Source: Collected and Compiled from Field Study)

From the table no 3 as per Likert 5 point scale of ranking the selected reasons for workplace stress it is evident that out of 50 government and 50 private employees majority of employees consider Bad Management practice leads to more stress in workplace , followed by Lack of resources, working environment, Role Conflicts and Employee relationships.

## CONCLUSION:

The present study concluded on the following states that:

1. The work force stress of private employees is more than of government employees in Cuttack and Bhubaneswar of Odisha State.
2. There is no significant difference between till 5years and above 5 years of employees experiences in Cuttack and Bhubaneswar of Odisha State.

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## **AN ANALYSIS OF PEOPLE, PROFIT AND PLANET: A CASE STUDY OF M/S HINDALCO INDUSTRIES LIMITED**

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### **Abstract**

*The “Triple P” which connotes People, Profit and Planet has got momentum after passing of new Companies Act 2013. The social responsibility transformed to social accountability. Companies should abide by such Act. Corporates should take care the planet in general and the community in particular. The sustainability of the business largely depends on the sustainability of the society. Profit cannot be maximised without the maximisation of welfare of society. This research work analyses the CSR provisions in New Companies Act and tried to trace out its pitfalls. In addition it dissects the CSR activities which are undertaken by M/S Hindalco Industries Limited, Sambalpur. CSR expenditure of last three years on different heads are analysed. Tables, charts are drawn for better presentation of data. The researcher also visited the ground and took away the reaction of stakeholder of CSR activities which are undertaken by such company.*

**Keywords:** CSR, Accountability, Development, Sustainability

### **1. Introduction**

Corporate Social Responsibility (CSR) can be defined as a Company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies can fulfil this responsibility through waste and pollution reduction processes, by contributing educational and social programs, by being environmentally friendly and by undertaking activities of similar nature. CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is said to increase reputation of a company’s brand among its customers and society.

CSR is a concept that suggests that it is the responsibility of the corporations operating within society to contribute towards economic, social & environmental development that creates positive impact on society at large. Social responsibility also means emerging businesses with a positive correlation to the society in which they operate. CSR is not about mere allocation of the money and fulfilling activities suggested by government. Being Socially Responsible means, people and organisations must behave ethically and with sensitivity towards social, cultural, economic and environmental issues. Corporate Social Responsibility is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. Ethically or responsible’ means treating key stakeholders in a manner deemed acceptable according to international norms.

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## 2. Relevance of Study

Corporate Social Responsibility is an integral part of modern industry. No company can ignore it. A growing number of social scientists are turning their attention to make investigation into topics related to CSR in different industries. CSR has made a number of contributions towards the social development. However, no such extensive study has been conducted yet. Therefore, the planned work will be of great significance. The work analyse the CSR activities by Hindalco Industries Limited, Sambalpur.

The proposed research will specifically contribute towards the followings-

- CSR practices made by Hindalco Industries Limited.
- Comparative analysis of expenses made by the industry.
- Effect of CSR practices on localities.

## 3. Review of Literature

In view of the changes to the economy in India since liberation, and the rapid growth in certain industrial sector or regions, CSR perception data is an important field to research. It is important for the researcher to be familiar with both previous theory and researches published so far in the field of investigation or study. Every research projects requires the review of concerned literature for doing the research. With the help of review of literature, a researcher can identify the methodology used, research design, methods of measuring concepts, techniques of analysis etc. The researcher presents here the resume on various studies undertaken by several researchers from time to time in India and also abroad.

- A comparative study conducted by **Khan and Atkinson(1987)** on the managerial attitudes to social responsibility in India and Britain shows that most of the Indian executives agreed CSR as relevant to business and felt that business has responsibilities not only to the shareholders and employees but also to customers, suppliers, society and to the state.
- In a study made by **Caroll (1998)** on top 500 largest Indian companies found that around 49% companies were reporting on CSR. Most of the companies report on donations, renovating schools in villages, midday meals etc. well defined expenditure on CSR has been shown by very few companies. The study also revealed that only 25% companies CSR activities were for employees and the rest were focusing on vicinity and society at large. Many companies are only making token gestures towards CSR in tangential ways such as donations to charitable trusts or NGOs, sponsorship of events, etc. believing that charity and philanthropy equals to CSR.
- A survey conducted by **TERI-Europe and ORG-MARG (2001)** in several cities in India found that more than 60% of the people felt that the companies should be held responsible for bringing down the gap between rich and poor, reducing human rights abuses, solving social problems and increasing economic stabilities.
- **Samuel Odowu and Papisoplomou Loanna (2007)** conducted a study on twenty companies in U.K. They promulgated that the U.K companies has now become ethical in the content of social responsibility as companies disclose its CSR with a view of public benefits, government request and issue information to stakeholders because the companies is of the view that stakeholders of twenty first century are better educated than the past

- **Shashank Shah and Sudhir Bhaskar (2010)** made a case study of Bharat Petroleum Corporation Ltd. (an Indian Public Sector Organization). They found that there is a broad relationship between the organization and the society. The organization used the resources of the society like human, material etc and in reverse they provide services to the society. The study also revealed that BPCL has taken a lot of initiatives in order to serve the society
- **Debabrata Chatterjee (2010)** in his research paper entitled “Corporate Governance and CSR: The case of three Indian companies” tried to analyse the corporate governance practices of three prominent Indian firms viz; ITC Ltd., Infosys Technologies Ltd., and Reliance Industries Ltd. The study was made taking four parameters i.e., Approach to Corporate Governance, Governance Structure and Practices, Board Committees and CSR activities. The study found that though the Corporate Governance practices are exemplary, there exist differences in the way the companies adopt these practices. Infosys seems to be doing much better than the other two.
- A paper on CSR in rural development sector: Evidences from India by **Sanjay Pradhan and Akhilesh Ranjan (2010)** concludes that social responsibility is regarded as an important business of Indian companies irrespective of size, sector, and business goal. The study shows that all surveyed companies present themselves as having CSR policy and practices. Most of the companies which design and implement CSR initiatives in the vicinity of their works cover entire community. A wide range of CSR initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provision of drinking water, management and development of natural resources, infrastructure facilities being carried out by these company.

#### 4. Research methodology:

Research refers to search for knowledge. One can also define research as a scientific and systematic search for potential information on a specific topic. In this study the focus is on the performance of CSR activities and comparative statement analysis of HINDALCO COMPANY. The data includes both from primary and secondary sources.

- The primary data: The primary data was collected through visiting to the industry along with him also discussed the CSR head and took the review regarding CSR activity of Hindalco from the local area people itself. The researcher also visits to the confined areas of activities to check the condition of the activity performed by them.
- The secondary data: The secondary data was collected from the annual reports, sustainability reports of the selected companies and company’s website as well. Further, the data was collected from various research articles, journals, websites, newspapers, etc.

#### 5. Data interpretation and analysis-

**The Companies Act, 2013** has formulated **Section 135**, Companies (**Corporate Social Responsibility**) **Rules, 2014** and **Schedule VII** which prescribes mandatory provisions for Companies to fulfil their CSR. This article aims to analyse these provisions (including all the amendments therein).

##### 5.1 Applicability/ Criteria of CSR Provisions:

On every Company including its holding or subsidiary having:

- Net worth of Rs.500 Crore or more, or
- Turnover of Rs.1000 crore or more, or
- Net Profit of Rs.5 crore or more(during the immediately preceding financial year)

A foreign company having its branch office or project office in India, which fulfils the criteria specified above

However, if a company ceases to meet the above criteria for 3 consecutive financial years then it is not required to comply with CSR Provisions till such time it meets the specified criteria.

## **5.2 CSR Committee:**

Every Company on which CSR is applicable is required to constitute a CSR Committee of the Board:

- Consisting of 3 or more directors, out of which at least one director shall be an independent director. However, if a company is not required to appoint an independent director, then it shall have in 2 or more directors in the Committee.
- Consisting of 2 directors in case of a private company having only two directors on its Board
- Consisting of at least 2 persons in case of a foreign Company of which one person shall be its authorised person resident in India and another nominated by the foreign company

### **5.2.1 Functions of CSR Committee:**

The CSR Committee shall—

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (I)
- Monitor the CSR Policy of the company from time to time
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

## **5.3 Responsibility of Board of Directors (BOD):**

The BOD of every company on which CSR is applicable shall:

- After considering the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose contents of such Policy in Board report.
- Ensure that the activities as are included in CSR Policy of the company are undertaken by the Company
- Shall disclose the composition of the CSR Committee in Board Report
- Ensure that the company spends, in every financial year, at least **2% of the average net profits** of the company made during the 3 immediately preceding financial years, in pursuance of its CSR Policy. The CSR projects/programs/activities undertaken in India only shall amount to CSR Expenditure.

*\*Note: The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities and shall specify the reasons for not spending whole of earmarked amount (if it fails to spend some) in Board Report.*

#### **5.4 CSR Policy**

The CSR Policy of the company shall, inter-alia, include the following namely:-

- A list of CSR projects or programs which a company plans to undertake specifying modalities of execution of such project or programs and implementation schedules for the same
- Monitoring process of such projects or programs
- A clause specifying that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.

#### **5.5 CSR Activities**

- The CSR activities shall be undertaken by the company, as per its CSR Policy, excluding activities undertaken in pursuance of its normal course of business.
- The BOD may decide to undertake its CSR activities approved by the CSR Committee, through
- A section 8 company or a registered trust or a registered society, established by the company, either singly or along with any other company, or
- A section 8 company or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature
- A section 8 company or a registered trust or a registered society, other than those specified in clauses (a) and (b) above, having an established track record of 3 years in undertaking similar programs or projects;
- Collaboration with other companies, for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.
- The CSR projects or programs or activities not to be considered as CSR Activities:
- Expenses for the benefit of only the employees of the company and their families
- Contribution of any amount directly or indirectly to any political party

#### **5.6 Display of CSR Activities on its Website**

The BOD shall disclose contents of CSR policy in its report and the same shall be displayed on the company's website, if any.

#### **5.7 Other Important Points:**

- The balance sheet of a foreign company to be filed under section 381(1)(b) of the Act shall contain an Annexure regarding report on CSR.
- The Board of Directors shall ensure that activities included by a company in its CSR Policy are related to the areas or subjects specified in Schedule VII (given below) of the Act.

#### **5.8 Schedule 7**

Activities which may be included by companies in their Corporate Social Responsibility Policies relating to:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachha Bharat Campaign set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, para-Olympic sports and Olympic sports
- Contribution to the Prime Minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- Rural development projects
- Slum area development.

## **6. ADVANTAGE OF SOCIAL RESPONSIBILITY:**

### **● Enhancement of the Company Image**

The most advantageous and obvious merit of CSR to a company is that its value in terms of goodwill increases. It has two major direct benefits to the company. One is, customers are always willing to purchase products of a company that has good image in the market. The other is, in general, other companies wish to get associated with such companies to do business.

### **● Enhancement in Attraction towards Company and Retention of Employees**

Candidates are attracted towards the companies that have strong CSR policies and comply them responsibly. Hence, such companies get good pool of potential candidates and their employee turnover is very low. Everyone wishes to work with a company that is concerned about its employees and makes efforts towards betterment of working and living conditions of its employees. Existing employees, as well as new employees, wish that the company has an empathetic approach towards them.



- **Attracts more Investors from Various Sources**

Investors are most likely to invest in the company, which has a good image in the market. Goodwill of a company is significantly enhanced if it is doing well in CSR and makes more people interested in investing in its crucial programs. Such a company will also get foreign investors in the form of FDI. Hence, it also becomes a contributing factor in the foreign exchange of the country. It is known as a reliable and trusted name, due to which it gets investors from other companies and industries as well.

- **Positive Promotion**

There is a huge difference in publicity and positive publicity. As in the business world, there is popular saying that, 'no matter what any publicity is good publicity'. It is really important that to make people buy your products one should be a known name amongst them. However, it is also important to have a good name in the eyes of public, because being known for wrong reason also causes downfall in the sales.

## **7. Demerits of Social Responsibility Corporate:**

- **Deviation from the Profit-Making Objective**

A popular economist named Milton Friedman is the biggest criticizer of CSR. As per him, CSR deviates the basic purpose of the business from earning profit to using its profit for the welfare. He suggested that the sole objective of starting any business activity is to earn maximum profit out of it.

- **Company Reputation is at stake**

If a company has to comply with the CSR policies, then it is supposed to inform all the limitations associated with its own products. If there is any CSR policy violation in their product then it has to be made public. It can cause bizarre to the image of the company.

- **Increase in Cost of Production**

CSR programs lead to an extra cost to the company. The increment in cost forces the company to increase the basic price of the product, which is ultimately paid by the customer. This is an extra burden on the company, which is being imposed to customers.

## **8. HINDALCO INDUSTRIES LIMITED:**

With a consolidated turnover of about US\$18 billion, Hindalco Industries Limited, the metals flagship company of the Aditya Birla Group, is the world's largest aluminium rolling company, and one of the biggest producers of primary aluminium in Asia. It is also a leading producer of copper, with one of the world's largest custom copper smelters at a single location in India. An industry leader in Copper, Hindalco operates one of the world's largest single-location custom copper smelter at Dahej in Gujarat, India. The unit produces copper cathodes and continuous cast rods, along with phosphoric acids, fertilizers and precious metals as by products.

According to MRS. RAJASHREE BIRLA, Chairperson of Aditya Birla Groups, there vision is "to actively contribute to the social & economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the country's human development index."

- MRS. Rajashree Birla

Table 1. **EXPENDITURE STATEMENT HINDALCO INDUSTRIES ON CSR**

SL NO.	CSR PROJECT/PROGRAMME	2015-16 (IN LACS)		2016-17 (IN LACS)		2017-18 (IN LACS)	
		BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
1	PRE-SCHOOL EDUCATION	□ 12.00	□ 12.53	□ 10.00	□ 12.55	□ 12.00	□ 14.15
2	SCHOOL EDUCATION PROGRAM	□ 1,010.00	□ 1,107.18	□ 1,010.00	□ 1,228.40	□ 1,090.00	□ 1,235.22
3	EDUCATION SUPPORT SYSTEM	□ 206.00	□ 222.29	□ 50.00	□ 58.39	□ 40.00	□ 43.80
4	VOCATIONAL & TECHNICAL EDUCATION	□ 55.00	□ 61.44	□ 55.00	□ 67.38	□ 35.00	□ 45.66
5	SCHOOL INFRASTRUCTURE	□ 53.00	□ 60.20	□ 60.00	□ 74.83	□ 146.00	□ 153.74
6	PREVENTIVE HEALTH CARE	□ 84.00	□ 100.91	□ 100.00	□ 123.74	□ 90.00	□ 105.36
7	CURATIVE HEALTH CARE PROGRAMME	□ 208.00	□ 215.07	□ 125.00	□ 162.62	□ 185.00	□ 220.37
8	REPRODUCTIVE & CHILD HEALTH	□ 21.00	□ 27.30	□ 20.00	□ 26.12	□ 30.00	□ 36.71
9	QUALITY/ SUPPORT PROGRAM	□ 32.00	□ 40.31	□ 30.00	□ 34.16	□ 30.00	□ 34.18
10	HEALTH INFRASTRUCTURE	□ 711.00	□ 769.54	□ 150.00	□ 181.39	□ 190.00	□ 224.82
11	AGRO & FARM BASED	□ 87.00	□ 114.72	□ 42.00	□ 50.32	□ 42.00	□ 52.13
12	ANIMAL HUSBANDARY	□ 7.31	□ 10.24	□ 6.00	□ 7.60	□ 6.00	□ 8.70
13	SKILL BASED INCOME GENERATION PROGRAMME	□ 47.00	□ 49.67	□ 32.00	□ 43.31	□ 52.00	□ 58.27
14	NATURAL RESOURCE CONSERVATION PROGRAM	□ 75.00	□ 84.63	□ 66.00	□ 92.53	□ 153.00	□ 197.97
15	LIVELIHOOD INFRASTRUCTURE	□ 31.00	□ 31.38	□ 22.00	□ 37.39	□ 32.00	□ 36.53
16	RURAL INFRASTRUCTURE DEVELOPMENT	□ 201.00	□ 205.99	□ 210.00	□ 260.49	□ 210.00	□ 291.91
17	INSTITUTION BUILDING & STRENGTHENING	□ 22.00	□ 26.95	□ 19.00	□ 26.15	□ 22.00	□ 26.40
18	SUPPORT TO DEVELOPMENT ORGANISATION	□ 2.25	□ 2.87	□ 11.00	□ 18.58	□ 2.00	□ 2.43
19	SOCIAL SECURITY	□ 11.70	□ 14.65	□ 4.00	□ 7.21	□ 33.00	□ 35.24
20	AWARENESS PROGRAMME	□ 6.74	□ 7.35	□ 13.00	□ 29.66	□ 13.00	□ 19.08
21	SOCIAL EVENTS TO MINIMISE CAUSE OF POVERTY	□ 16.00	□ 19.05	□ 8.00	□ 11.86	□ 15.00	□ 17.68
22	PROMOTION OF SPORTS	□ 66.00	□ 70.55	□ 22.00	□ 60.93	□ 52.00	□ 56.66
23	OVERHEADS	□ 135.00	□ 159.75	□ 141.00	□ 220.30	□ 190.00	□ 192.44
24	TOTAL	□ 3,100.00	□ 3,414.57	□ 2,216.00	□ 2,835.91	□ 2,670.00	□ 3,109.45

## **9. Findings**

Table 1 shows that the company had going on in a greater way of social sustainability. Every year, company has fulfilling its CSR duty in a manner as prescribed in the Provisions. The absolute change in the CSR expenditure from the year 2016 to 2018. From this table, we can conclude that each year company has spends a lot on the school education programme whereas spends less on the supporting organisations of society. Finally, it can be concluded that the company is spending vast on the CSR activities which is beneficial for the company as well as society.

## **10. Conclusion**

Today the concept of CSR has undergone a radical change. It has integrated social as well as environmental issues into their missions and objectives. Companies take keen interest in informing about their CSR activities to their stakeholders as well. From the review, we come to know that across the globe, business enterprises have accepted the concept of CSR as an element of success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders' objectives.

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## ENTREPRENEURSHIP DISPARITY IN MSME SECTORS: A CONCERN TO ODISHA AND INDIA

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### ABSTRACT

*Micro Small and Medium Enterprises (MSMEs) play a vital role in facilitating varieties of economic activities in different parts of a country through which it provide a solution to reduce poverty, unemployment and inequality of income distribution especially for developing country like India. It encourages entrepreneurial spirit and dispersal of the industries throughout the length and breadth of the country. The existence of inequality in entrepreneurship of MSME sector is a major problem of bringing socio-economic equality in the country. This paper examines the existence of gender gap of entrepreneurial activity and the regional disparities along with uneven dispersal of MSME sectors in between rural and urban areas of India as well as Odisha. It also studies disparity of entrepreneurship in MSME sectors among different social groups of the country. Simple statistical devices are used to analyse the secondary data collected from various sources to find out entrepreneurial disparity in MSME Sectors and to suggest possible measures for the reduction of this inequality in India and Odisha.*

**Keywords:** *Entrepreneurship disparity, MSMEs, Gender, Regional, Social groups*

### 1. Introduction

Entrepreneurship is an abstraction and entrepreneurs are tangible persons. Entrepreneurship being an intangible factor is treated as driving force of promoting development. It has an important role in the context of a developing nation like India.

Entrepreneurship plays an important role to solve the baffling problems of over population, unemployment, under-employment, poverty, income inequality, price rise and the like. The word 'entrepreneurship' typically means to undertake. It can be defined as the propensity of mind to take calculated risk in order to achieve pre-determined business objectives. Entrepreneurship is a set of activities performed by an entrepreneur. It can be encouraged with the establishment of Micro, Small and Medium enterprises as solution of these chronic problems. Setting up and development of MSME sectors is treated as panacea of many economic problems like concentration of economic power, regional imbalances, and exploitation of monopolists. The importance of MSMEs is concerned with optimum use of capital, creation of self employment, use of local resources, and conservation of foreign capital, complementary to large scale industries and more important is facilitating entrepreneurial development.

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According to MSMEs Development Act, 2006, a micro enterprise is where the investment in plant and machinery does not exceed twenty-five lakh rupees. A small enterprise is where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees. A medium enterprise is where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees.

In the case of the enterprises engaged in rendering of services, a micro enterprise is where the investment in equipment does not exceed ten lakh rupees. A small enterprise is where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees. A medium enterprise is where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **1. Review of Literature**

Srinivas (2009) has examined the performance of micro, small and medium enterprises, and their contribution in India's economic growth and opined that MSMEs play a significant role in inclusive growth of Indian economy. De, Sankar, (2009) in his study has viewed that SME's in India face many challenges but perhaps none are as difficult as the challenge of financing, both short term and long term. Tambunan and Tulus (2009) focused mainly on women entrepreneurs in small and medium enterprises in Asian developing countries. The study also opined that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. Purnamita and Bishwanath (2005) revealed that women's labour force participation rate in rural India was negatively influenced by education, ownership of land, age and number of young (below 5 years) in household. Arun, A.V, (1995) viewed that small scale industries in Kerala are running on obsolete technology and have a very low productivity; they are very often facing acute competition from well-organized large-scale sector. No planned efforts are there to update the technology. The efforts by the agencies are not adequate for the technology to reach at grass root level. According to Schumpeter, the entrepreneurial process is a major factor in economic development and the entrepreneur is the key to economic growth. All countries consider entrepreneurial promotion as a crucial policy for sustained employment creation, as well as innovation in products, production processes and organizations (OECD, Gender Equality in Education, 2012 ).

### **2. Objectives**

The objectives of this study are;

- To examine the gender gap concerning to rural and urban dispersal of entrepreneurial activity in MSMEs in India.
- To analyse the inter-state and inter districts disparities with gender gap of MSME sectors in India and Odisha.
- To study the disparity of entrepreneurship in MSME sectors among different social groups in India.

### **3. Sources of Data and Methodology**

This study is based on secondary data collected from various sources like annual report of Ministry of MSMEs, Govt. of India and Odisha, Directorate of Industries, Govt. of Odisha, NSS survey report on MSMEs and All India MSMEs Census. Simple statistical tools like Percentages, Arithmetic Mean and coefficient of variation are used to analyse the data.

#### 4. Analysis and Findings

The Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. The total number of MSMEs has increased from 361.76 lakh in (2006-07)<sup>1</sup> to the 633.88 lakh (2015-16)<sup>2</sup> in India. MSME sector provides 1109.89

lakh employments of persons throughout the country. It is the second largest employer after agriculture. The sector accounts for 45% of total industrial production, contributes 28.77 percentages to GDP and 31.60 percentage of GVA of India at current prices. The share of MSMEs in GVA at current prices has been decreased from 31.86 % (2011-12) to 31.60% (2015-16). The role of micro, small and medium enterprises (MSMEs) in the economic and social development of the country is well established. The MSME sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. With a view to provide more attention on the development of micro, small and medium enterprises, the government has launched several schemes and programmes from time to time.

##### 5.1. Gender Gap and Rural - Urban Entrepreneurial Activity in MSMEs

Participation and contribution in creating an enterprise is found till date to be skewed across gender in India. Men continue to dominate in the field of entrepreneurship. According to the 4th All India census of Micro Small and Medium Enterprise (MSME, 2006-07), share of women enterprises was only 13.72 percent of the total of 1.56 million units in the organized sector, where as it was 7.06 percent from a total of 34.612 million in unorganized sector. Recent statistics shows, women owned enterprises constitute 7.35 percent including both the sectors and of working enterprises (MSME Annual Report, 2014-15). This shows that over the years, the share of women enterprises has not grown significantly. Further it is examined from table -1 that share of male owned MSMEs was 86.28% in comparison to 13.72

%( Female owned MSMEs) as per 4th All India census of MSME. But as per the NSS 73rd Round Report 2015-16 share of male owned MSMEs has declined to 79.64% and the share of female owned enterprises have been increased to 20.36%. It implies that the gender gap in entrepreneurship is still more in India.

**Table -1: Distribution of MSMEs by Gender**

As per Fourth all India census of MSME- 2006-07			
	Male	Female	Total
Percentage	86.28	13.72	100
NSS 73rd Round Report 2015-16			
Percentage	79.64	20.36	100

Source: Fourth all India census of MSME- 2006-07, Annual Report of MSMEs 2011-12 and NSS 73rd Round, Annual Report of MSME 2017-18, Govt. of India.

The average of male entrepreneurs of MSMEs in different states in India is 1345853.33 which are more than that of 344181.19 of female entrepreneurs in India as observed from table-2. On the other hand CV (Coefficient of variation) of male entrepreneurs among different states and UTs is 129.21 percent and it is lower than CV of female entrepreneurs (162.32 percent). It describes that more variability is found in case of female entrepreneurs of different states. The percentage of female entrepreneurs (20.73) is near about four times lower than male

<sup>1</sup> As per Fourth all India MSME Census (2006-07)

<sup>2</sup> As per NSS 73rd Round (2015-16) report.

entrepreneurs (79.63). The inequality in entrepreneurship is prevailed in between rural and urban area of the country. The female entrepreneurship in rural area (22.24%) as well as in urban area (18.42%) is much less than that of male entrepreneurship in India.

**Table -2: Gender Wise Distribution of MSMEs in India**

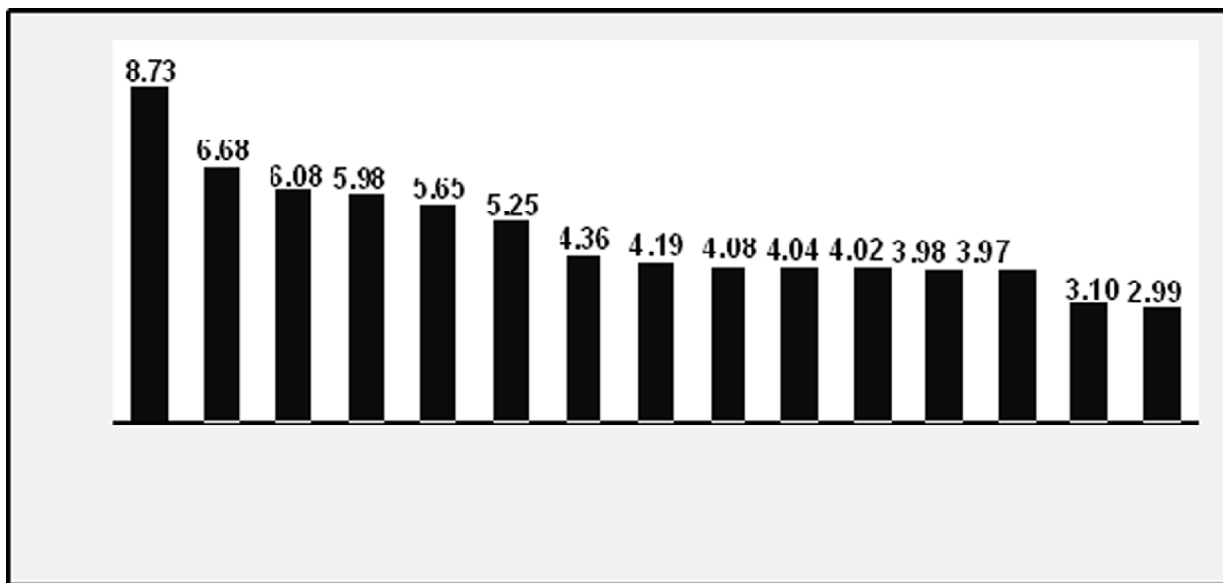
Parameters	Male Entrepreneurs	Female Entrepreneurs	Total (Male & Female)
A. Mean	1345853.33 nos.	344181.19 nos.	1690034.61 nos.
CV	129.21	162.32	129.5
Percentage to total	79.63	20.73	100
Percentage to total of rural MSMEs	77.76	22.24	100
Percentage to total of urban MSMEs	81.58	18.42	100

Source: Author's Calculation from NSS 73<sup>rd</sup> Round Report 2015-16 published in Annual Report of MSME 2017-18, Govt. of India

### 5.1. MSMEs Entrepreneurship in Odisha

It is observed from table-3 that Odisha occupies only 3.06% of country's total MSMEs units. The percentage of male owned MSMEs in Odisha (84.14%) is more than that of female owned (15.86 percentage). Gender gap of MSMEs ownership is 68.28 percentages (1271935 units) in Odisha and placed in 14<sup>th</sup> rank in gender disparity in the country.

**Figure – 1: Districts of Odisha lying above the national average percentage of MSMEs**



Source: Economic Survey 2017-18, Govt. of Odisha

It is observed from figure-1, that there is inter districts disparity of MSMEs entrepreneurship in Odisha. There is 8.73 percent (4844 units) of total MSMEs of the state is in Sundergarh districts followed by 3704 units (6.68%) in Khurda and 3374 units (6.08%) in Cuttack districts. On the contrary the lowest 0.57 percent (315 units) of MSMEs is in Malkangiri districts. There are fifteen districts of Odisha (as in figure-1) have MSMEs set ups which are more than the average percentage (2.78) of MSMEs of different states in India. But other districts in Odisha have MSME set ups below the average percentages of different states in India. Most of the districts in hinterland of Odisha are backward in entrepreneurship in MSMEs sectors.

## **1. Summary and Conclusion**

There is large gender gap in MSMEs entrepreneurial activity throughout the country. It is due to lack of proper education, immobility, lack of collateral security, lack of financial literacy, poor degree of freedom, domestic duties, social barrier and no awareness about the business world. Economic empowerment of women is vital for eliminating poverty and overall development of the Indian economy. Entrepreneurship development in MSMEs business activities is a feasible solution for empowering women. There is lack of entrepreneurial activity in MSME sector among tribal people in India. It is fact that tribal's are yet to be a part and parcel of the modern economic system because of the lack of education, inaccessible habitation and lack of awareness. Interstate disparity in MSMEs entrepreneurship is another concerned factor in India. In case of Odisha, MSMEs entrepreneurial activities are featured with gender disparity, rural-urban inequalities, and uneven participation of different social categories as well as inter district disparity; more particularly it is found in hinterland of the state.

Entrepreneurship development among tribal people particularly among women should be generated through motivation and awareness programme properly. To arrest the socio- economic problems of the country as well as the state improvement of human and social capital is necessary. Entrepreneurial activities and its development in MSMEs sector requires the involvement of various sections of the society, utilization of available resources, motivation, creating awareness, adequate and timely availability of credit. In addition to MSME development programmes of the government, it demands more practical mechanism to improve entrepreneurship in different parts of the country and in state.

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## **GREEN MARKETING AND ITS INFLUENCE ON BUYING BEHAVIOR OF CONSUMERS: A CASE OF ODISHA**

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### **ABSTRACT**

*Recently, concerns have been expressed by manufacturers and customers about the environmental impact of products. Consumers and manufacturers have directed their attention towards eco-friendly products. Customer's attitudes are changing towards the environment to encourage innovation for conservation and the benefits from this source of innovation are certain to outlive our current generation. This paper investigates consumer beliefs and attitude on environment protection and their purchasing behaviour towards eco-friendly products. A study was conducted on 156 respondents from Odisha. High level of awareness about green marketing practices and products was found among the consumers. Green values were also found to be high among the respondents. Research has given good insights for marketers of the green products and suggests the need of designing the marketing communication campaigns promoting green products due to high green value among the consumers. Results of regression analysis reveals the view that overall green values, awareness about green products and practices and the perception regarding seriousness of marketing companies towards green marketing had positive significant influence on the purchase decision of the consumers to buy green products.*

**Keywords:** Green Marketing, Eco-friendly products, Green values, Awareness about green products, Regression analysis

### **1. INTRODUCTION**

The green movement has been expanding rapidly throughout the world. With regards to this consumers are taking responsibility to do the right things. Consumer awareness and motivation continue to drive change in the marketplace, notably through the introduction of environmental friendly products. Compared to consumers in the developed countries, the Indian consumer has less awareness of global warming issues. Successful marketing has always been about recognising trends and positioning products, services and brand in a manner that supports buyer intentions. Green marketing is also termed as environmental marketing or ecological marketing. According to American Marketing Association, marketing of products that are presumed to be environmentally safe is called as Green Marketing. Thus wide range of activities are covered under green marketing, which includes modifying the product, making changes in the production process and packaging, as well as modifying advertising or removing any activity that impacts the environment in negative way. Today,

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the Earth faces more environmental issues than ever before, hence it is imperative for companies to make and market them as environment friendly. Green marketing is emerging as a popular promotional strategy owing to increased consumer awareness and concerns.

The concept of green or ecological marketing calls upon businesses to follow ethical and green practices while dealing with customers, suppliers, dealers, and employees. Companies have started marketing themselves as green companies. Even the Public Sector Units and state governments are now paying a lot of attention towards environmental issues such as global warming, pollution, sanitation etc and have started taking steps to prevent environmental pollution. In a survey conducted by *National Geographic Society* and the international polling firm Globescan (2010) to determine consumers' green attitude called "Consumer Greendex", the top scoring consumers were in the developing economies of India, Brazil and China while industrialized countries ranked at the bottom. Consumers showing the largest increase in environmentally sustainable behaviour were in India, Russia and the United States (Howe et al., 2010). A company to be successful in green marketing requires to be committed to operate in environmentally friendly ways. Many consumer durable companies are now marketing their products with Energy Star Label stating that their use will reduce the energy consumption and consumers can save a lot of money on electricity consumption over a period of time. For example, Godrej Consumer Products is marketing its product through green marketing and gives additional incentive to buyers to exchange their old products with latest green and environmental friendly products. The advertisements try to convince the buyers to adopt a green lifestyle and contribute in development of a greener environment.

## **2. REVIEW OF LITERATURE**

Green marketing acquired an eminent status since early 1990s. There has been occurring about green consumers and green consumerism in 1970s and 1980s. Henion and Kinnear (1976) defined green consumers as environmentally conscious consumers while Antil (1984) described green consumerism as a specific type of socially conscious consumer behavior with prime focus on protection of environment. Green consumerism was described as a form of "pro-social" consumer behaviour (Weiner and Doescher, 1991). Michael Polonsky (1994) defined "green marketing as the marketing that consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment." Various studies support the assertion that consumers today prefer environmentally safe products and have a positive disposition towards companies following such practices. A strong willingness is shown by consumers to favor environmentally conscious products and companies as per various opinion polls taken in US and elsewhere, however action to do so in reality are debatable (Mendleson N, Polonsky MJ, 1995). In spite of huge interest in green marketing by researchers and organizations, demand of green products is not as high as expected. Mintel (1995) found a significant gap between consumers concern and actual green purchasing. It is found that still there are considerable barriers towards the diffusion of more ecologically oriented consumption styles.

According to Michael J Polonsky, environmental marketing has been perceived as an opportunity by the organizations to achieve their objectives (stated by Keller 1987, Shearer 1990). It was believed that organizations have moral obligation to serve the society in more environmental friendly way (Davis 1992, Freeman and Liedtka 1991, Keller 1987, Shearer 1990). Firms are also forced to become more socially responsible due to the laws laid by the government towards environmental protection. Firms are also pressurized by the environmental activities adapted by competitors that demand the firms to change their marketing activities to suit the environmental changes. One of the factors identified that affects the purchase of green product is its high price in comparison with traditional product. Price of the product can be reduced by properly designed environmental standards. Environmental standards can trigger innovations that lower the cost of the product or improve its value. Such innovation will allow the

companies to use a range of inputs more productively—from raw materials to energy to labour – thus offsetting the cost of improving environmental impact and hence enhanced resource productivity will make companies more competitive. Innovation will play a lead role in sustainable development for the companies to be competitive and resisting innovations will lead to loss of competitiveness in today’s global economy (Michael Porter and Claas van der Linder, 1995).

There are several issues and challenges identified by various researchers with respect to Green Marketing (Welling and Chavan, 2010). Practicing green marketing initially may prove to be expensive as it encourages green products/services, green technology (procuring new technology or modification of existing technology), green power/energy which requires a lot of money to be spent on R&D programs. High investment is required in marketing promotions to create awareness regarding green products and their uses. Many customers may not be willing to pay a premium for green products which may affect the sales of the company. It requires the companies to extensively communicate the presence and benefits of green marketing to the customers by means of various tools available for integrated marketing communication. Eco-labeling could be a good way to convince the customers regarding green products. Consumers might be willing to pay premium price if they see additional benefit (such as quality, environmentally safe product, fuel-efficient vehicles, and non-hazardous products) attached with the product. Green Marketing can help organizations to gain a competitive advantage and a strong consumer base. (Renfro LA, 2010).

Many of the companies in India have now started marketing themselves as green organizations due to certain government regulations and shift in the preference of the consumers worldwide. However, not much research with respect to green marketing has been done in India and there is question about the awareness of green products among consumers. The attitude of Indian consumers towards green products and the relationship between the attitude and behaviour is also questionable. As green marketing is different from the marketing in traditional way, marketers need to know the factors that persuade the consumer to buy the green products. This study aims to resolve the research question that what factors influence the consumer persuasion to buy the green product in context to state of Odisha.

### **3. OBJECTIVES**

- 1) To investigate the level of awareness of Indian consumers about green products and practices.
- 2) To measure the green values of the customers.
- 3) To identify the factors that influences the customer persuasion to buy green products.
- 4) To investigate the preferences of Indian consumers about green products.

### **4. HYPOTHESES**

Based on the literature reviewed and objectives framed, the following hypotheses were generated to be verified with statistical analysis.

- H1: There is no significant difference in green values on the basis of gender.
- H2: There is no significant difference in buying intentions for green products with respect to the academic qualification of the consumer.
- H3: There is no significant difference in preference of green products with respect to the gender of the consumer.

### **4. RESEARCH METHODOLOGY**

Questionnaire was used as the research instrument. Information was collected from the consumers through consumer survey method was utilized for further analysis and testing of hypotheses. Green Consumer Value Scale developed

by Haws et al, 2010 was adapted in this study to measure the green value of the consumers. Classification of consumers from Green Gauge Study of Roper Organization (2001) was adapted in this study. 20 consumers were asked to fill the questionnaire for pretesting and to identify the ambiguity in terms, meanings and issues. Therefore the questionnaire had a high level of content validity. The respondents were asked to rate the statement on a 5 point scale ranging from strongly disagree to strongly agree. Since the neutral point on the scale was 3, those means above 3 suggests overall agreement with the statement and the mean below 3 reflects disagreement. 220 questionnaires were distributed out of which 156 were completed and returned recording a response rate of 70.9%.

**5. ANALYSIS AND INTERPRETATION**

Consumers were strongly agreeing for the importance of green marketing practices and have rated “Manufacturing Eco-Friendly Product” as the most important green marketing practice followed by “Educating customers to use products in environmental friendly manner” with a mean score of 4.65 and 4.63 respectively. All the green marketing practices were found to be considered as important by the consumers with none of the green marketing practice having scored less than 4.10 (see Table 5.1). This suggests that consumers are concerned about the state of environment and expect the organizations to employ green practices towards the protection of environment.

**Table 5.1: Consumer perception about importance of green marketing practices**

<b>Green Marketing Practices</b>	<b>Mean</b>	<b>Standard Deviation</b>
Manufacturing environment friendly product	4.65	0.656
Educating customers to use products in environmental friendly manner	4.63	0.731
Manufacturing products through eco-friendly process	4.51	0.648
Modifying products to make them environmental friendly	4.38	0.798
Modifying product packaging to suit environment	4.27	0.834
Promoting products through eco-friendly modes of communication	4.23	0.837
Using green supply chain for procurement and distribution	4.16	0.858
Branding product associationship with green marketing practices	4.11	0.837

All consumers have rated the seriousness on higher side for various factors that are considered as environmental concern. Consumers' agreement regarding environmental degradation was high and may prefer green products over conventional products to protect the environment. Marketers can come up with new green products and communicate the benefits to the consumers. Respondents have rated the seriousness of various environmental concerns as high. The responses have marketing implications in terms of designing marketing communication campaigns, as higher mean score representing higher concern regarding the same amongst consumers and thus could be used while promoting green products.

**5.1 Attitude**

The reliability analysis of Green Consumer Scale has shown the Cronbach's Alpha value as 0.728 (as seen in Table 5.2).

**Table 5.2: Green consumer value scale reliability analysis**

<b>Cronbach's Alpha</b>	<b>No. of Items</b>
0.728	6

**Table 5.3: Green consumer value measure**

Statements	Mean	Std. Deviation
Green Value: It is important to me that the products I use do not harm the environment.	4.45	.692
Green Value: I am concerned about wasting the resources of our planet.	4.19	1.106
Green Value: I would describe myself as environmentally responsible.	3.87	.870
Green Value: I consider the potential environmental impact of my actions when making many of my decisions.	3.75	.774
Green Value: I am willing to be inconvenienced in order to take actions that are more environmentally friendly.	3.73	1.052
Green Value: My purchase habits are affected by my concern for our environment.	3.47	1.001
<b>Overall Mean Green Value</b>	<b>3.910</b>	<b>0.916</b>

All consumers have rated the seriousness on higher side for various factors that are considered as environmental concern. Consumers' agreement regarding environmental degradation was high and may prefer green products over conventional products to protect the environment. Marketers can come up with new green products and communicate the benefits to the consumers. Respondents have rated the seriousness of various environmental concerns as high. The responses have marketing implications in terms of designing marketing communication campaigns, as higher mean score representing higher concern regarding the same amongst consumers and thus could be used while promoting green products.

## **5.2 Brand Association**

Following brands were recalled as being associated with Green Marketing Practices including Bajaj CFL, Indian Railways (paperless ticket), Philips CFL, Nerolac Paints, Exide Green Batteries, Sun king solar home appliances etc. It was found that consumers were not able to recall the brand without assistance. This has marketing implication in terms of the requirement of extensive communication by the marketers to make the consumers aware about the green brands.

Around 78 % of the consumers have shown willingness to buy green products if it is available in the product category often purchased. Their mean score was found to be 3.89 on a scale of 5. This implies that marketers should make the green products available to the consumers for their consumption as customers have shown willingness to buy green products if it is available. The awareness of the people in Odisha has increased after government banned use of polythene bags.

Around 51.7 % of the consumers were found to be “Sprouts”, i.e. people who can buy green products from time to time but are not involved in any environmental activities, whereas, around 19.6 % of the consumers were found to be “True Blue Greens”, i.e. people who buy only green products, spend time and effort in environmental activities such as recycling and believe that an individual can do much to promote the environment. Around 10 % of the consumers were found to be “Green Back Greens”, i.e. they are able to buy green products but don’t have the time and energy for environmental activities and do not want to change their lifestyles to promote the environment. It was found that the percentage of people who buy only green products is very low (19.8%). Thus signifying need for better promotions.

## **5.3 Consumers Action**

Consumers felt that green products are priced higher than their corresponding conventional products (with mean score of 3.96). They have revealed that they prefer the green products over conventional products while purchasing (with mean score of 3.88). Consumers have also revealed that they consider the ill effect of the manufacturing and consumption on natural environment and the price of the green product affects their purchase behavior with mean score of 3.69 and 3.54 respectively. As consumers consider the ill effects of manufacturing and consumption on natural environment it can be said that following green marketing practices not only lead to social good but also make good business sense. When asked about the factors that affect the purchase of green products, consumers rated “awareness about green product” first with the mean score of 4.25, followed by “availability of green product”, and “product price” at second and third position. This implies that marketers have to extensively market and communicate the availability of green products to the consumers.

## **5.4 Results of Hypotheses testing**

With respect to the first hypothesis (H1), it was found that there is significant difference in green consumer values on the basis of gender; overall green value of consumers was found to be 3.91 and p-value for overall green consumer value was found to be 0.227 which states that the null hypothesis is not accepted and it can be inferred that gender of the consumers does affect their green values.

With respect to second hypothesis (H2), no significant difference was found in buying intentions for green products with respect to the academic qualification of the consumer with p-value of 0.017, this hypothesis is also accepted. But the third hypothesis (H3), there was significant difference in preference of green products with respect to the gender of the consumer. The third hypothesis is not accepted with a p-value of 0.233. Table 5.4 gives the summary of the Hypotheses testing.

## 6. CONCLUSION

Consumers' level of awareness about green products found to be high but at the same time consumers are not aware about green initiatives undertaken by various government and non-government agencies signifying need for more efforts from organizations in this regard. Newspaper remains leading source of information for most of the respondents and should be utilized more for reaching out to the consumers regarding green products and practices. Consumers were able to recall the 'Green Brands' but not without assistance.

The study has implications for marketers as well as consumers and makes a good case for start of an era of green marketing in India. The study since focused on a limited geographical area has limited generalization but provides good insights regarding behavior of consumers towards 'Green Brands'. Future research could focus on psychographic segmentation of consumers in terms of assessing their green values and preferences. The study can be replicated at a larger scale to get more insights into the behavior of consumers and understand more about green phenomenon.

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## FACTORS MODULATING ENTREPRENEURIAL BEHAVIOUR TOWARD CSR- A COMPARATIVE ANALYSIS OF MCL AND NALCO

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### Abstract

*Entrepreneurship is the way of managing and utilizing the available resources in such a way that earnings are maximized in a business without incurring any wastage of resources. It totally depends upon the leadership quality, skill, knowledge and talents of the entrepreneurs. Now the entrepreneurs have some social responsibilities towards the society. Corporate Social Responsibility (CSR) is the mechanism through which the corporate organizations execute their long term vision for social welfare. It helps to maintain sustainability. The main aim of the study is to throw lights on and to make a comparative study of the various CSR activities carried out by the MCL and the NALCO in relation of education, health care, sports and environment. To conclude, attributes such as logical thinking, creation of value towards society, ability to manage resources, ability to anticipate technology for managing the resources and ability to think for stakeholders are the essential factors modulating or influencing entrepreneur behavior about CSR plan for the development of the society.*

**Keywords:** Creation of value, Entrepreneurs Behaviour, CSR and Stakeholders.

### Introduction

Today CSR in India plays an important role and it has expanded its scope to a large extent. CSR is not limited to only donation purpose but now it ranges from removing poverty, improving the health sector and ensuring environmental sustainability. As per the guidelines of Department of Public Enterprises (DPE), the govt has made it mandatory for all profit making company to spend 2 % of profit made in previous year on CSR activities. MCL and NALCO of Odisha mainly contributed their CSR funds towards the development of the society. MCL and NALCO becoming the popular in CSR project in Odisha and their next priority area of CSR activity was to provide rural sports in the new area.

### Review of Literature

The CSR activities need to be improved and more effective strategic policy should be developed so as to aim the sustainable development of society (J.K.Sa 2015). Bamett (2014) focused on comparative analysis of CSR spending as a percentage of (PAT). The study revealed that CSR spending is less than 2% of PAT of Indian company. K.Ramajaynta (2013) CSR is defined as a proper allocation of corporate resources towards the welfare of the society. The studies conclude that there is a need for better CSR activities by the corporate sector so that there will be a sustainable development in the society.

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## Objective of the study

The objectives of the study are

- I. To highlight various CSR activities carried out by MCL and NALCO
- II. To compare various CSR activities by MCL and NALCO

## CSR Project of MCL

Mahanadi coalfield limited (MCL) is one of the largest CSR activities company in Odisha . MCL has taken up various CSR activities for the development of the society. In 2013-14 MCL provided financial assistance for the construction of Hostel in VSSUT, Burla and 150 seated hostel in Sambalpur University. It has spent Rs 270.18 lakhs and 27.02 lakhs towards the promotion of education.

MCL has taken various measures to provide drinking water through installation and repair and construction of water tank. MCL is committed towards health care sector. MCL has spent Rs 670 crores towards health care sector and installation of Ambulance .They have also allocated RS 15.88 lakhs for organizing skill development and workshop for women and rural youth.

## CSR project of NALCO

NALCO also contributed towards contribution and renovation of classroom water supply and training institute in various district of Odisha. NALCO also provide drinking water through water tank in the rural area. Nalco has agreed to set up 100 seat medical college and 300 bedded hospital in the district head quarter of koraput. It has spent Rs 58.09 lakh health out reach programme through mobile medical unit in near village. NALCO has also given equal importance for community development through construction of community halls, plantation and development of parks.

## Comparative Analysis

Dimensions	MCL	NALCO
<b>Education</b>		
- Formal Education	✓	✓
- Technical Education	✓	x
- Girls Education	✓	x
<b>Health Care</b>		
- Mobile Health Van	✓	✓
- Heath Camps	✓	✓
- AIDS awareness camps	✓	x
- Tele Medicine	✓	x
<b>Drinking Water</b>		
- Piped Water	✓	x
- Water Filters	x	✓
- Mobile Tanker	✓	✓
<b>Community Development</b>		
- Roads & Bridges	✓	x
- Community centres	✓	x
- Solar lighting	✓	✓
- Parks and gardens	x	✓
<b>Livelihood</b>		
- Employment for Rural youth	✓	✓
- Employment for Women	✓	✓
<b>Sports and Culture</b>	✓	✓
<b>Environment</b>		
- Plantation	✓	✓
- Green Energy (Solar Plant)	✓	✓

(Source: CSR Reports of MCL and NALCO, 2011-2016)

MCL and NALCO are strictly following the guideline issued by DPE. Both enterprises have allocated towards 2% of their profit towards CSR projects. MCL and NALCO have considered development of education, healthcare and drinking water to provide better quality of life in the society. From 2010-2013, MCL CSR is less than the amount allocated for CSR activities. But in 2014,2015 and 2016 CSR expenditure of MCL is more than its amount allocated for the same. NALCO has set up a standalone foundation as NALCO foundation in order to carry out CSR activities. Similarly, MCL has set up a corporate social committee to channelize their CSR activities.

### **Conclusion**

A CSR activity is going to process and not an end. Both MCL and NALCO have played an important role for the development of the society through CSR fund. However the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in the sustainable development of the society.

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[www.mcl.gov.in](http://www.mcl.gov.in)

[www.nalcoindia.com](http://www.nalcoindia.com)

## **THE GANGADHAR MEHER UNIVERSITY**

Gangadhar Meher University (GMU), Amruta Vihar, Sambalpur came into existence on the 30th May 2015 as a unitary University of higher learning replaced the erstwhile Gangadhar Meher College (Autonomous), one of the oldest and the largest in Odisha, owes its origin in 1944. Initially the college was known as Sambalpur College, it was later renamed in 1949 as Gangadhar Meher College after Gangadhar Meher, a renowned Odia poet and a worthy son of the soil. Presently the University provides teaching and research facilities for running Undergraduate, Post Graduate and Research programs on various subjects. This University is serving to the needs of around 5500 students at present and rendering services to the society at large.

## **THE SCHOOL OF COMMERCE**

The School of Commerce, G.M. University, Sambalpur, (erstwhile G.M. College, Sambalpur established in the year 1944) is one of the oldest and largest Departments in Odisha. The Department offers courses like UG, PG Programme, M Phil and Ph.D programme in Commerce.

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