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Abstract- CSR has been major component for the welfare of society. This study examines whether corporate social responsibility (CSR) towards primary stakeholders influences the financial and the non-financial performance (NFP) of Indian firms. Data on CSR were collected from 25 senior-level managers including CEOs through questionnaire survey. Hard data on financial performance (FP) of the companies were obtained from secondary sources. A questionnaire for assessing CSR was developed with respect to six stake holder groups – employees, suppliers, customers, society at large. A compo site measure of CSR was obtained by aggregating the six dimensions. This study aims to obtain information about the impact of CSR activities on performance of an organization. In today's society, there is a growing interest in, and demand for Corporate Social Responsibility (CSR).

Keywords: *corporate social responsibility, corporate financial performance.*

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Corporate Social Responsibility (CSR) and Stakeholder's Reaction: A Survey on Impact of Csr on Firm Performance in Gujarat

Dr. Nilam Panchal

Abstract- CSR has been major component for the welfare of society. This study examines whether corporate social responsibility (CSR) towards primary stakeholders influences the financial and the non-financial performance (NFP) of Indian firms. Data on CSR were collected from 25 senior-level managers including CEOs through questionnaire survey. Hard data on financial performance (FP) of the companies were obtained from secondary sources. A questionnaire for assessing CSR was developed with respect to six stake holder groups – employees, suppliers, customers, society at large. A compo site measure of CSR was obtained by aggregating the six dimensions. This study aims to obtain information about the impact of CSR activities on performance of an organization. In today's society, there is a growing interest in, and demand for Corporate Social Responsibility (CSR). Reasons for this can be multinational corporations' increasing influence on world economy as well as scandals revealing horrible working conditions indifferent industries. In spite of the fact that the demand for CSR is growing, there has always been critics.

Keywords: corporate social responsibility, corporate financial performance.

I. Introduction

Corporate Social Responsibility is the continuing commitment by 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.In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business sector. Business goals are inseparable from the societies and environments within which they operate.

II. Methodology

Primary as well as Secondary information has been collected .Sample consisted of 35 companies and their stakeholders , out of which 24 responded well which includes ZydusCadila, Gujarat Narmada Valley Fertilizers Company Limited (GNFC), Gujarat State Fertilizers and Chemicals Limited (GSFC), Gujarat Alchalies and Chemicals Limited (GACL), Reliance Limited (Dahej Division), Gujarat Fluoro chemicals Limited (GFL), Atul Limited, Gujarat Organics Limited, United Phorsphorus Limited, Dip-Flon Engineering, SRF, Super Industrial Lining, BASF.

a) Companies Involved in CSR Activities

Out of 100 organizations surveyed, 83.33% of organizations are involved in CSR activities. This shows that majority of the organizations are involved in the CSR practices and are interested to serve the society to the extent possible.

b) Organisation's View Point on CSR

There is nothing better than serving society & employee welfare for promoting CSR as the main or leading stakeholder at society and employees only.57% of the organizations believe that promoting CSR is nothing but providing service to society.27% of them promote CSR for employee's welfare.

c) Stakeholder's Focus on CSR

20% of the organization does CSR mainly for their employees.22% of the organization does CSR mainly for the civil society group.24% of the organization does CSR mainly for the local communities.29% of the organization does CSR mainly for the environment protection and society at large.

d) The Major Projects towards Which an Organisation is Contributing for CSR.

The highest is 22% for environment protection and educational initiative. 14% of organizations contribute towards promotion of green and efficient technologies and development of backward regions. 10% of organizations contribute towards uplift ment of marginalized & under-privileged section of the society and establishment of hospital.

e) Transparency in Process of CSR Practices

Transparency in the process of CSR Practices is by distribution of pamphlets & brochures. They identify goals & take measures for the betterment of the society, distribute awards, prepare monthly report to the top management, involve stakeholders while taking decision for CSR activities and display all expenses both in villages and common notice board.

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f) Benefits Gained to Organisations by Adoption

The main benefit the organizations believe is social benefit as the 44% of them agree to it. The other benefit they believe is motivation to employee to work efficiently as 31% of them agree.17% believe enhancing corporate image is the benefit they gain from CSR. Majority of the organizations believe that employees are motivated by the CSR activities that are performed by their organization. Many of the organizations provide residential facilities to the employees, education facilities to their children, health facility to the employee and their family etc services if provided to the employees as a part of CSR activities it is in benefit to both, the employee and the organization. If the employees are motivated then they are loyal to their work as well as the organization.

III. Factors That Lead to Improvement Due to CSR Activities

Parameters	Mean	Standard deviation
Long term survival	3.75	0.78
Enhancement of corporate image	3.8	0.86
Better contribution to community welfare	4.25	1.16
Environmental welfare	3.9	0.99
Organization's interest in CSR	4.76	0.96

Majority of the organizations say that there is a strong influence of CSR activities on long term survival of the organization because if the society, customers etc are happy with the organization's performance then that will directly and positively affect the long term survival of the organization. Secondly if the employees of the organization are motivated they will surely work for the betterment of the organization and extend its life.45% of the organizations think that CSR strongly influences the corporate of the organization. The reputation of the organizations is increasing due to CSR.50% of the organizations believe that CSR has strong influence of environmental welfare.

IV. Effect of CSR on Business Operations and Performance

45% of the organizations believe or somewhat agree that CSR effects the stakeholder's satisfaction.30% of the organizations strongly agree to CSR has effect on stakeholder's satisfaction. The organizations have to satisfy the stakeholders as they are real assets of the organization.40% of the organizations somewhat agree that CSR has effect on internal business processes. 20% of the organizations neither nor agree that CSR has effect on internal business processes.15% of the organizations disagree that CSR has effect on internal business processes.21% of the organizations strongly agree that CSR has effect on attainment of company's goal/objectives.37% of the organizations somewhat agree that CSR has effect on attainment of company's goal/objectives.5% of the organizations disagree that CSR has effect on attainment of company's goal/objectives.

V. Strategic and Moral Motivation through CSR to Stakeholders

a) Employees

Parameters	Mean	standard deviation
Preferential treatment of women in application	3.8	0.71
Preferential treatment of minorities in application.	3.75	0.70
Measures to prevent abuses on work floor	3.5	0.61
Measures to foster proper relations among employees.	4.25	1.05

37% are strongly agreeing and 32% are somewhat agreeing that treatment of women in application is a moral motivation.21% are neither agree nor disagree.10% are disagreeing that treatment of women in application is a moral motivation.21% are saying that they are strongly agreeing and 42% are saying they are somewhat agreeing for measuring to prevent abuse on workplace. Above 60% are agreeing for measuring to prevent abuse on workplace is a proper way to get strategic and moral motivation through employees.42% are strongly agreeing and 53% are somewhat agreeing for measuring to foster proper

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relation among employees. Every company believes that measuring to foster proper relation among employees is excellent for strategic and moral motivation for stakeholders like employees.

b) Suppliers

20% are strongly agreeing and 20% are somewhat agreeing that having control on quality of supplier's product is helping for gaining strategic and moral motivation.35% are neither agreeing nor disagreeing.10% are somewhat disagreeing and 15% are disagreeing that control of quality of supplier's product is not at all motivating.

Parameters	Mean	standard deviation
Control of quality of supplier's product.	3.2	0.43
Control of the environmental standards of the products & production processes of suppliers for compliance with legal requirements.	3.9	0.87
Control of the labor standards of suppliers for compliance with legal requirements.	3.55	0.70

40% are strongly agreeing and 35% are somewhat agreeing that control of the environment standards of the product & production processes of suppliers for compliance with legal requirements.5% are neither agreeing nor disagreeing.15% are somewhat disagreeing and 5% are disagreeing.20% and 45% are strongly agreeing and somewhat agreeing respectively that control of the labor standards of suppliers for compliance with legal requirements is a good motivation.15% are neither agreeing nor disagreeing.10% are somewhat disagreeing and 10% are disagreeing.

c) Customers

20% are strongly agreeing and 55% are somewhat agreeing that development of sustainable alternative for customers is a favorable motivation.15% are neither agreeing nor disagreeing. Majority of the companies are agreeing that the term development of sustainable alternative for customers is very positive for strategic and moral motivation for stakeholders like customers.

Parameters	Mean	Standard deviation
Development of a sustainable alternative for customers.	3.75	0.9
Complaints procedures for customers	3.5	0.71

Around 60% of companies are agreeing on the statement that complaints procedures for customers is very useful for developing strategic and moral motivation through CSR to stakeholders like customers.

d) Society

Parameters	Mean	Standard deviation
Percentage of net profits allocated to local community projects.	4.2	1.24
Donation to organizations having social or environmental utility	4.1	1.05
Sponsorship of sport and cultural events	3.95	0.82
Cause related marketing campaign	3.4	0.59

Percentages of strongly agreeing and somewhat agreeing are 50% and 30% respectively in terms of having moral motivation through donation to organizations having social or environmental utility.10% are neither agreeing nor disagreeing.10% are disagreeing on that donation to organization having social or environmental utility is a moral motivation.

Higher number of companies thinks that donation to organization having social or environmental utility is kind of strategic and moral motivation through CSR to stakeholders of society.

VI. System for CSR

a) Use of the power of the media & internet to increase scrutiny & collective activism around corporate behavior.

25% are strongly agreeing and 45% are somewhat agreeing that the use of power of the media & internet to increase *security & co*llective activism around corporate behavior is used in CSR.20% are neither agreeing nor disagreeing.5% are somewhat disagreeing and 5% are disagreeing that the use of power of the media & internet to increase *security*&

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collective activism around corporate behavior is used in CSR. Most of the companies are agreeing on the extent of using the power of the media & internet to increase security & collective activism around corporate behavior in CSR activities.

b) *Ull compensation to the public for bad social or environmental effect of actions or products*.

25% are strongly agreeing and 40% are somewhat agreeing that full compensation to the public for bad social or environmental effect of actions or product.25% are neither agreeing nor disagreeing.10% are disagreeing on the statement that full compensation to the public for bad social or environmental effect of actions or products.

c) *Ommunity-based development projects such as children's education, new skills for adults etc.*

50% are strongly agreeing and 15% are somewhat agreeing that community based development projects such as children's education; new skills for adults are good CSR.35% are neither agreeing nor disagreeing. None of the company is disagree with the statement. Highest numbers of companies are agreeing on the term that community based development projects such as children's education; a new skill for adults is a positive CSR practices.

d) *Omplete adherence to government law and regulations preventing it from causing harm to the broader social group including people and environment.*

35% are strongly agreeing and 40% are somewhat agreeing that adherence to government law and regulations preventing it from causing harm to the broader social group including people and environment.15% are neither agreeing nor disagreeing.10% are disagreeing on that adherence to government law and regulations preventing it from causing harm to the broader social group including people and environment. Majority of the companies are agreeing on this statement that that adherence to government law and regulations preventing it from causing harm to the broader social group including people and environment.

Parameters	Mean	Standard deviation
Use of the power of the media & internet to increase scrutiny & collective activism around corporate behavior.	3.8	0.75
Full compensation to the public for bad social or environmental effect of actions or products.	3.7	0.69
Community-based development projects such as children's education, new skills for adults etc.	4.15	1.03
Complete adherence to government law and regulations preventing it from causing harm to the broader social group including people and environment.	3.9	0.83

VII. Conclusion

For any programme to be successful it must have the support of the top management and some form of implicit benefit in the near future of the business. As such, the top management can play a significant role in creating a climate of socially responsible behaviours of the business. The data analysis shows that, majority companies involved in corporate social responsibility. Organizations mainly take into consideration the project of education initiatives and environment protection. It is found that organization for promoting CSR they mainly focus on society and employees and different types of treatments are given to the stakeholders of organizations so as to focus and promote the CSR activities of an organization.

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