

MEASURING IMPACT OF CORE COMPETENCIES ON CSR OF HOST COMPANIES IN INDIAN COMPANIES

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INTRODUCTION:

Corporate Social Responsibility (CSR) was initially established in the 1950s and has since been conceptualized and interpreted in many manners. This situation has only intensified the decision-making process for the strategic implementation of numerous CSR initiatives. Currently, evaluating stakeholder contact performance is the most straightforward method to analyze the effectiveness of any CSR practice deployment, without previous considerations on adherence to specific activities or the acquisition of financial incentives from the services. Stakeholders are characterized as "groups and individuals who may influence or are impacted by the realization of an organization's mission," according to Freeman (1984). Consequently, stakeholder dialogue constitutes the exchange of CSR proposals from the firm to stakeholders and the subsequent approval or endorsement from stakeholders to the firm.

Corporate Social Responsibility projects may serve as successful public and private policies. The first and following sections demonstrate that CSR may improve public welfare when market processes and political institutions function sub optimally, a situation we contend is common in most nations. Even However, well-meaning programs may fail to achieve the anticipated social effects, and existing efforts to determine if CSR activities improve a company's private profits may be deceptive and may not reliably offer policy direction for corporations. Owing to the expenses and uncertainty associated with the outcomes of its numerous CSR activities, a company must rigorously assess the advantages and costs of each CSR activity. By thoroughly assessing the costs and benefits of potential CSR initiatives, a company can ensure that the implemented programs will be both effective and sustainable.

There are concerns that CSR activities may arise from a significant agency problem, in which management undertakes these actions in violation of their fiduciary responsibilities to the company's shareholders. Friedman (1970) expresses concern that "a corporate executive acts as a representative of the business's owners," and that "to the extent his

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actions aligned with his 'social duty' reduce returns to investors, he is misappropriating their capital." The agency problem diminishes when owners and management regard CSR activities as equally important, and evidence indicates that certain shareholders favor CSR projects. For business owners to encourage executives to participate in CSR projects, management's involvement in these efforts should not be perceived as merely a "waste of resources." Owing to insufficient monitoring and proprietors who prioritize profit above CSR activities, executives involved in CSR efforts must advocate for these programs while accepting diminished financial remuneration.

The effectiveness of an organization may be assessed not only by its production but also by its public acceptance, both as a brand and as a social institution. Therefore, it is important for a firm to understand how to improve its social reputation, especially its social acceptability. Stakeholders must ensure that companies are actively addressing issues relevant to the local community, including social concerns and possible threats. What more effective technique there for understanding this than through CSR? Corporate Social Responsibility initiatives allow a firm to solidify its societal footprint in terms of sales and reputation. Effective CSR initiatives may aid a company in developing its brand identity and attaining wider acceptance.

REVIEWS OF LITERATURE

Corporate Social Responsibility (CSR) has gained prominence as a key factor influencing business operations, particularly in multinational enterprises (MNEs) operating within complex global frameworks. This literature review synthesizes pivotal studies examining CSR's role in shaping financial performance, corporate strategies, and international investments.

Dau et al. (2020) introduced the concept of CSR reputation signaling and examined its influence on international investments. They argued that a strong CSR reputation at the country level enhances firms' appeal to host markets. Their analysis of 25,672 country-pair data from 153 nations revealed that firms leverage differences in CSR reputation signaling and that economic distance positively moderates cross-country investments. This study underscores CSR's global strategic importance and its potential to advance sustainable development goals, aligning with the 2030 Agenda.

Kolk and Van Tulder (2010) highlighted the renewed focus on the social and environmental implications of international business (IB) amidst global challenges like climate change and poverty. They emphasized MNEs' dual role as contributors to and solutions for these issues, suggesting that CSR integration into IB remains insufficiently explored. Their work identified gaps in the systematic incorporation of CSR into IB literature, advocating for deeper inquiry into CSR's impact on sustainability and global business practices.

Williams and Zinkin (2008) explored the cultural dimensions of CSR using Hofstede's framework. Their findings revealed that consumer attitudes towards CSR and corporate misconduct vary significantly across cultures, influencing how multinational corporations implement CSR strategies. The study highlights the need for culturally adaptive CSR policies to align with diverse consumer expectations, thereby enhancing corporate legitimacy in different markets.

Saner et al. (2000) emphasized the importance of business diplomacy management for global corporations. They argued that effective management of international conflicts and pressure groups requires skills akin to political diplomacy. This approach enables firms to navigate complex political environments and establish stronger connections between core business activities and external institutional landscapes, reinforcing CSR's role in global business strategies.

Halkos and Nomikos (2021) analyzed the global CSR legal framework, linking CSR with corporate laws. They discussed the evolution of CSR definitions and the ongoing debate over its validation, providing a comprehensive understanding of legislative approaches worldwide. Their study advances the discourse on CSR's institutionalization, offering insights into its integration into corporate governance frameworks.

Zutshi et al. (2021) investigated CSR in museums and art galleries, analyzing how socio-cultural drivers influence CSR expression in tourism management. Their findings highlighted the contextual nature of CSR within the tourism sector, suggesting that economic and social dimensions shape CSR practices in cultural institutions. The study opens new avenues for understanding CSR's role in niche sectors like cultural tourism.

Schröder (2021) examined CSR disclosures across 78 banks, focusing on environmental, human resource, customer, and community involvement categories. Using content analysis, the study identified significant differences based on institutional characteristics, emphasizing the diversity in CSR practices and reporting across the banking sector.

Sinthupundaja et al. (2020) explored the relationship between CSR and financial performance in China, showing that CSR positively impacts financial outcomes. However, state ownership weakens this relationship, while industry competition strengthens it. This study highlights the importance of institutional contexts and market conditions in shaping CSR's strategic value.

Awaysheh et al. (2020) evaluated CSR's influence on financial performance, finding that top-performing firms excel in operational success and market value. However, the causative link between CSR and financial performance remains uncertain after accounting for endogeneity, suggesting the need for nuanced assessments of this relationship.

Karyawati et al. (2020) used meta-analysis to examine the complex relationship between CSR and financial performance through neo-institutional theory. They emphasized the importance of considering institutional factors, national characteristics, and CSR evaluation criteria to achieve generalizable insights. This study underscores CSR's multifaceted nature and its interdependence with institutional dynamics.

Together, these studies illuminate CSR's evolving role in international business, highlighting its strategic, cultural, and institutional dimensions. They reveal CSR's potential to drive sustainable development, foster cross-border investments, and enhance corporate financial performance, while also identifying critical gaps and challenges for future research.

METHODOLOGY

With the purpose of generating and testing ideas concerning the profitability and structure of Corporate Social Responsibility (CSR), this study takes a quantitative approach to the problem-solving process. For the purpose of conducting a systematic evaluation of these hypotheses, the research entails the collection and analysis of data. Utilizing a mix of primary and secondary data sources, the aim of the study is centered on determining how profitable CSR is and how it is structured. Primary data was collected from 116 respondents, which included 18 Directors and Chief Managerial Personnel, 39 Employees, and 59 Stakeholders from 100 Indian enterprises. The respondents were distributed around the country. A combination of structured questionnaires and personal interviews were used in the process of data collecting. The purpose of this approach was to collect the viewpoints of various stakeholders about CSR activities and profitability. In addition, in order to enhance the study, secondary data was gathered from many sources, including websites, publications, online directories, and foreign research papers found online. A complete perspective of the dynamics of corporate social responsibility (CSR) across enterprises was provided by the sample unit, which consisted of directors, management staff, employees, and stakeholders. A strong framework for assessing the profitability and structural effect of corporate social responsibility (CSR) in the context of Indian corporations is ensured by the technique through the integration of several data sources.

RESULTS

The data gathered with the demographical profile is presented first as under:

Table 1: Demographic Characteristics of Respondents

Position	Frequency(n)	Percent (%)
Directors and Chief managerial persons	18	15.5
Employees	39	33.6
Stakeholders	59	50.9
Total	116	100.0
Area where CSR is targeted		
Education	5	4.3

Community Development	12	10.3
Health	31	26.7
Youth Development/Sport	44	37.9
Women Empowerment	24	20.7

The analysis of the data conducted for the research emphasizes the representation of stakeholders as well as the focus areas of CSR activities. There were 116 people who participated in the survey, and among them, Directors and Chief Managerial Persons made up 15.5% (18 persons), Employees made up 33.6% (39 individuals), and Stakeholders made up the largest group at 50.9% (59 individuals), ensuring that several opinions on corporate social responsibility were represented. The areas of CSR focus that emerged as the top priority were youth development and sports, which were targeted by 37.9% of the instances (44 total). Health initiatives came in second with 26.7% of the cases (31 total), while women empowerment was targeted by 20.7% of the cases (24 total). On the other hand, Education was the least targeted field, receiving just 4.3% of the total cases, while Community Development received 10.3% (12 instances). This allocation reflects a strategic emphasis on supporting young development and health, while also identifying potential to expand corporate social responsibility activities in education and community development for a more balanced influence on society.

To Measure the perception of respondents towards CSR Impact on company's core competencies, the data were gathered from the respondents of selected companies are used with the following hypothesis:

H0: CSR initiatives related to company's core competencies are not significantly sustainable.

To analyse the same the data gathered is analysed using multiple regression analysis first for organizational values and the results are presented as under:

Table 2: Multiple regression analysis for CSR impact over company's core competencies

Variables	SPSS Code	Mean	SD	N
Overall, I am satisfied with the CSR impact over impact on company's core competencies	Core_Comp	1.0086	.09285	116
Overall, I have positive perception towards CSR benefits	CC_1	3.4569	.91739	116
Implementation of CSR practices offers a competitive advantage.	CC_2	3.5172	1.0992	116
Implementation of CSR practices makes company different from competition.	CC_3	3.6810	.90023	116
Implementation of a holistic CSR program increases a company's goodwill.	CC_4	2.8707	1.2196	116
Today 's customers prefer to consume product or service of socially responsible firms.	CC_5	1.3362	.47446	116
A favourable public image can be achieved by showing involvement in socially responsible activities.	CC_6	1.1897	.39373	116
There is no difference between involvement in CSR activities and positioning for public relations.	CC_7	1.6897	.46464	116

		Correlations							
		Core_Comp	CC_1	CC_2	CC_3	CC_4	CC_5	CC_6	CC_7
Pearson Correlation	Core_Comp	1.000	.055	.041	.033	-.067	.131	.193	.063
	CC_1	.055	1.00	.238	.273	.053	-.156	-.073	-.236
	CC_2	.041	.238	1.00	.458	.336	-.136	-.048	-.160
	CC_3	.033	.273	.458	1.00	.263	-.072	.025	.073
	CC_4	-.067	.053	.336	.263	1.00	-.270	-.220	-.102
	CC_5	.131	-.156	-.136	-.072	-.270	1.00	.680	.477
	CC_6	.193	-.073	-.048	.025	-.220	.680	1.00	.325
	CC_7	.063	-.236	-.160	.073	-.102	.477	.325	1.00
Sig. (1-tailed)	Core_Comp	.	.277	.331	.362	.238	.080	.019	.252
	CC_1	.277	.	.005	.002	.285	.047	.217	.005
	CC_2	.331	.005	.	.000	.000	.072	.305	.043
	CC_3	.362	.002	.000	.	.002	.220	.395	.218
	CC_4	.238	.285	.000	.002	.	.002	.009	.138
	CC_5	.080	.047	.072	.220	.002	.	.000	.000
	CC_6	.019	.217	.305	.395	.009	.000	.	.000
	CC_7	.252	.005	.043	.218	.138	.000	.000	.
N		116	116	116	116	116	116	116	116

Variables Entered/Removed ^a		
Model	Variables Entered	Variables Removed
1	CC_6	.
a. Dependent Variable: Core_Comp		

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.193 ^a	.037	.029	.09151	.037	4.399	1	114	.038
a. Predictors: (Constant), CC_6									

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.037	1	.037	4.399	.038 ^b
	Residual	.955	114	.008		
	Total	.991	115			
a. Dependent Variable: Core_Comp						
b. Predictors: (Constant), CC_6						

Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error				Zero-order	Partial	Part
1	(Constant)	.955	.027		35.163	.000			
	CC_6	.045	.022	.193	2.097	.038	.193	.193	.193
a. Dependent Variable: Core_Comp									

Note: self-compiled as per data analysis with SPSS.

The regression results show with Adjusted R square 2.9 percent, Dependent Variable is overall I am satisfied with the CSR impact over impact on company's core competencies (Core_Comp), Predictors is CC_6, and Model fit ANOVA is 4.399 which is Significant as .038b. This means that we can reject the above hypothesis (null hypothesis) and the above regression model is fit to predict future. Use high-resolution images for clarity and maintain consistency in design, color scheme, and labeling.

When using figures (graphs, charts, or images) sourced from external materials,

place the citation directly below the figure as part of the figure caption. Just like tables, use the appropriate citation style. Ensure the citation is brief and includes the author's name, year, and any additional publication details.

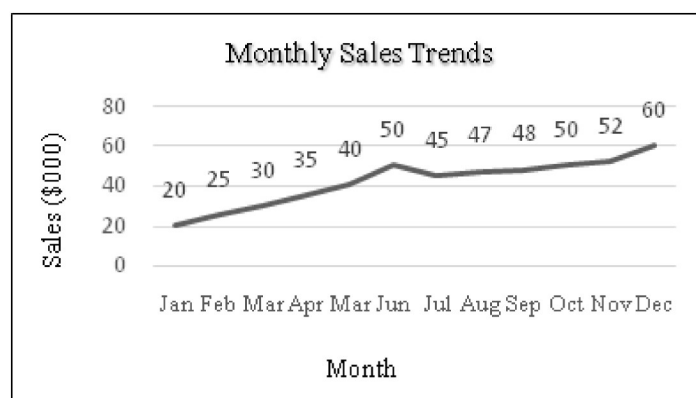


Figure 1: Monthly Sales Trends (January - December)

Common Mistakes to Avoid: Do not overload tables or figures with excessive data; focus on presenting relevant information. Avoid inconsistent numbering or naming conventions. Ensure that tables and figures are self-contained, meaning they can be understood without referring to the text.

DISCUSSION

The Discussion section interprets the results in the context of your research questions, existing literature, and broader implications. It is one of the most critical parts of the manuscript, where you explain the significance of your findings, address the study's limitations, and suggest future research directions.

The Discussion section should provide a comprehensive analysis of the study's findings, highlighting their relevance to the research questions and existing literature. Begin by summarizing the major results and discussing how they support or contrast with previous studies. Interpret the findings critically, avoiding overstatements or unwarranted generalizations. Address any unexpected results, offering plausible explanations based on the study's design, methodology, or external factors. It is essential to acknowledge the study's limitations, such as sample size, methodology constraints, or data variability, and discuss how these may influence the interpretation of results. Conclude the section by emphasizing the broader implications of the findings and proposing practical applications or directions for future research. Use concise and objective language to maintain the scholarly tone.

CONCLUSION

In developing countries in meeting social and environmental standards while maintaining competitiveness. CSR can enhance the society's welfare when both market and government imperfections occur, and demonstrate this is likely in most locales across the world. It reaffirms our strong commitment to involve in the growing process those segments of society who have hitherto been excluded from the mainstream of progress. In accordance with this national effort, CSR was envisioned as a tool for integrating social, environmental, and human development issues across the whole value chain of corporate enterprise. As per the above result points it can be revealed that for variable a favourable public image can be achieved by showing involvement in socially responsible activities. (CC_6) revealed that respondent's satisfaction with Overall satisfaction with the CSR impact over Mission.

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