



THE IMPACT OF ORGANIZATIONAL COMMITMENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY: A STUDY OF INFOSYS LIMITED MYSORE

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Abstract

The concept of "Corporate Social Responsibility" has become pervasive enough that it has earned its own acronym in business circles: CSR. The term means that a corporation should be accountable to a community, as well as to shareholders, for its actions and operations. When a corporation adopts a CSR policy, it aims to demonstrate a goal of upholding ethical values, as well as respecting people, communities and the environment. The corporation undertakes to monitor its compliance with its stated CSR policy and report this with the same frequency that it reports its financial results. Corporate social responsibility at present focus organizational as well employee's cooperation in the creation of structures and initiatives related to poverty alleviation, health care, education, community development activity, women empowerment, environmental issues and the applications of science and technology etc. The main objectives of this research paper includes theoretical background on current scenario of corporate social responsibility initiatives and to highlight the demographic profile of the employees of Infosys Ltd. situated in Mysore through conducting a survey of 50 sample respondents. The paper further analyses the organizational commitments towards CSR activity including financial assistance. Finally this study concludes that the employees engaged in CSR activities improve motivation level, performance and satisfaction.

Keywords: *Corporate Social Responsibility, Organizational Commitment, Demographic Profile, Attitude, Initiatives, Science and Technology.*

INTRODUCTION

Corporate Social Responsibility (CSR) has acquired a new dimension and a new meaning in the past decade. It has emerged as a significant theme in the global business community and is progressively becoming a mainstream movement. The growing importance on corporate responsibility is also affecting the connection between company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its various stakeholders, such as investors, customers, vendors, suppliers, employees, communities and governments. Corporate social responsibility is, therefore, closely linked with the practice of sustainable development and extends beyond philanthropic activities and reaches out to the integration of social and business goals.

The present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large.

Corporate social responsibility in India has traditionally been seen as a philanthropic activity. This concept among businessmen, particularly in India is not new and can be easily seen in the ancient time. In keeping with the Indian tradition, it was an activity that was performed but not deliberated. In India first phase of business philanthropy started from charity for purely religious purposes during the pre-industrial period toward a more Western form of philanthropy in the period between 1850 and 1914. The beginning of industrialization and the establishment of British rule marks the evolution from merchant charity to industrial philanthropy. The second phase from 1914 to 1960 is considered as golden period, in third phase from 1960 to 1980 reflected as renewed corporate, and the citizenship era began from 1980s onwards.

Corporate Social Responsibility in India is finally a "reality". Indian businesses realized they have to look not only at the economic dimension of their company, but also at its ecological and social impact the three pillars of CSR. However, to become a planned strategy integral to business success, Indian companies have lot of catching up to do. CSR is also linked to the broader issue of "Corporate Governance. Needless to emphasize that Indian companies have to take a closer look at CSR and link it to corporate governance, if they really want to make a mark in all the three pillars of CSR.



CURRENT SCENARIO OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Reporting on CSR initiatives taken by the companies shall commence from Financial Year 2014-15. To clarify the government's stance on such CSR and CSR reports Draft Corporate Social Responsibility Rules have been framed by the Ministry of Corporate Affairs. Major provisions of the Rules are as under (4): i.e., 2% for CSR spending would be computed as 2% of the average net profits made by the company during every block of three years. For the purpose of First CSR reporting the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2014. Corporate social responsibility as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society"

Currently, CSR also attempts to deploy a company's core competencies to help address the society's problems. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. Employees become the backbone of these initiatives and volunteer their time and contribute their skills, to implement them. These programs include all stakeholders' viz., shareholders, employees, customers, suppliers, project affected people directly or indirectly.

At present in the year 2014 the Infosys foundation creates opportunities and strives towards a more equitable society," It will work out to around ₹ 240 crore. As of now, Infosys contributed ₹ 48 crore in the first quarter," Infosys told reporters here. Infosys is one of the first Indian companies to contribute to CSR activities as per the New Companies Act. Under the New Companies Act, large companies need to spend at least 2 per cent of their average net profit for immediately preceding three financial years on CSR activities.

'Net Profit' refers to the net profit before tax as per books of accounts and is exclusive of profits arising from branches outside India. As per the Draft, companies that fall under any of the following limits shall constitute a CSR committee:

- Net worth of ₹ 500 Crores or more.
- Turnover of ₹ 1000 Crores or more
- Net Profit of ₹ 5 Crores or more. (CSR Committee on the CSR projects 2015)

REVIEW OF LITERATURE

The research has been conducted on corporate social responsibility last few decades. The review includes studies pertaining to the impact of organizational commitment towards Corporate Social Responsibility:

Strandbery (2009) this paper focused on understand the foundational elements that need to be in place to foster a high performance CSR. This study aims at Employee involvement is a critical success factor for CSR performance. Human resource managers have the tools and the opportunity to leverage employee commitment to, and engagement in, the firm's CSR strategy. Finally it's conclude that in the knowledge economy most companies try to attract, motivate and retain a high quality workforce, which has become a competitive advantage in an environment of increasing skills shortage. The main findings of the study is create an attractive workplace, especially if the company reputation and image is valuable and not easily initiated, companies can attract and maintain a high quality workforce involve in CSR activity.

Rehman,(2010),the study has been undertaken on " Corporate social responsibility influences, employee commitment and organizational performance". This study analyzes the multifaceted influence of CSR on employee's organizational commitment and organizational performance. The study uses exploratory approach primary data is collected from 371 professionals working in different sectors of Pakistan. The study found significantly positive relationship between CSR actions and employee organizational commitment, CSR and organizational performance and employee organizational commitment and organizational performance and also important implications regarding uses of CSR for enhancing employee's organizational commitment and improving organizational performance.

Bashir (2012) carried out research on internal impact of the corporate social responsibility activities and impact on the employees of the organizations engaged in these activities. This study conducted Sample size for the study was 30 employees working for different business organizations of Karachi comprising 14 female and 16 male employees. Finally the study concluded that, corporate social responsibility activities positively impacts over employees' attitude towards the organization, which results in better level of organizational belongingness and job satisfaction among employees, positive perception towards an organizations' social ethics and social services may influence their attitudes and performance.



Shin (2013), this study has been conducted on “ Value Added of Corporate Social Responsibility on Organizational Commitment: An Employee’s Perception”. This study has been focus on employee’s perception. First objective is to examine whether the length of time in organization associated with organizational commitment and also ascertain whether Corporate Social Responsibility (CSR) namely philanthropic, ethical, legal and economic correlate with organizational commitment. The main findings reveal that length of time in organization, philanthropic CSR, ethical CSR, legal CSR and economic CSR associated with organization commitment.

Sushmita (2014) this study has been focused on “Corporate Social Responsibility: Current Scenario”. This paper discussed the evolution of CSR in India. Apart from gauging the changes in the CSR scenario after the introduction of the Companies Act 2013, it throws light on the guiding principles laid down by the draft Corporate Social Responsibility rules and analyses the industry’s reaction to the mandate. CSR revolved around labor and environment laws being introduced in an independent India. The companies at the helm of CSR initiatives were mostly Public Sector Undertakings (PSUs). Also discussed are the steps that the society can take to maximize the benefit from the company’s expenditure.

OBJECTIVES OF THE STUDY

The following are the major objectives of the study

1. To provide the theoretical background on current scenario of corporate social responsibility initiatives;
2. To highlight the demographic profile of the employees of Infosys Ltd, situated in Mysore;
3. To assess the organizational commitments towards CSR activity;
4. To examine the financial assistance provided by the organization to conduct CSR Activity; and
5. To offer suggestions in the light of the study.

RESEARCH METHODOLOGY

The present study has been collected from both primary and secondary sources. The primary data was collected by on the basis issue of questioner; the Survey from The questionnaire was designed questions for collection of data. Population for the study was Employees of Infosys Private Limited., Mysore District. The sample size for study was only 50 respondents. The method of sampling used is Random sampling. Secondary data was gathered from different sources such as, Internet, website, Professional Magazines, Newspapers refereed journals related on organizational commitment towards corporate social responsibility. The analysis of data is done using percentage and quantitative method for tabulations and represents the data using graphical method.

ANALYSIS & INTERPRETATION

❖ Demographic Profile of the Respondents

Table No.1 depicts that demographic profile of the respondent’s at Infosys Private Limited, in Mysore District. Moderate number of 35 male respondents and 15 female respondents are taking corporate social responsibility initiatives. It was found that an age pattern of respondents majority of 25 respondents are considered as youth they belonging age group of 25 years and remaining 20 respondents are considered as adult they belonging the age group between 25 to 30 years. Rest of numbering 05 respondents belongs to above 30 years. From the viewpoint of occupation, majority of the respondents numbering 25 respondents belongs to managers and equal number of respondents numbering i.e., 15 respondents are belongs to general manager and laborers. In the context of Monthly income level of the respondents majority numbering i.e., 30 are belongs to less than Rs.15000 and around numbeing15 respondents are belongs to monthly income between Rs.15000 to Rs.25000 and also remaining 05 respondents are belongs to monthly income between Rs.25000 to 35000. Further the level of knowledge about the CSR among the respondents, majority numbering 25 respondents are having manageable knowledge regarding CSR and also numbering 15 respondents and 10 respondents are having little knowledge and there is no idea regarding CSR activity respectively.

Table No. 1, Demographic Profile of the Respondents

SI.No	Particulars	Frequency	Percentage
1.	Age pattern:		
	a) Less than 25 years.	25	50.00
	b) Between 25 to 30 years.	20	40.00
	c) Above 30 years.	05	10.00



2.	Gender:		
	a) Male.	35	70.00
	b) Female.	15	30.00
3.	Designations:		
	a) Managers	20	40.00
	b) General Managers	15	30.00
	c) Laborers	15	30.00
4.	Income Level:		
	a) Less than 15000.	30	60.00
	b) Between 15000 to 25000.	15	30.00
	c) Between 25000 to 35000.	05	10.00
5.	Knowledge About CSR:		
	a) Manageable Knowledge	25	50.00
	b) Little Knowledge.	15	30.00
	c) No Idea.	10	20.00

Sources: Field Survey.

❖ Organizational Commitment towards CSR activity

Table No.2 shows that organizational commitment towards CSR activity. Majority 50.00 per cent of the respondents strongly agreed with create awareness among the employees towards CSR activity. Around 60.00 percent of the respondents are agreed with train employees to know company's values and rules to conduct CSR. Majority 60.00 percent and 70.00 percent of the respondents are strongly agreed that development of knowledge about CSR activity among the employees through workshops, seminars and also motivate employees to involves CSR activity to provide Intrinsic rewards such as awards, medals etc. Around 70.00 per cent and 60.00 per cent of the respondents agreed that provide financial assistance to conduct CSR activity and also its necessity to prepare proper planning strategies to conduct CSR activity in the organization respectively. Majority 50.00 percent and 40.00 percent of the respondents are disagree with create positive attitude among the employees towards CSR activity and also maintain stability of perceptions of CSR throughout the recession time. Around 60.00 percent of the respondents are agreed that evaluate employee's performance towards organizational CSR activity.

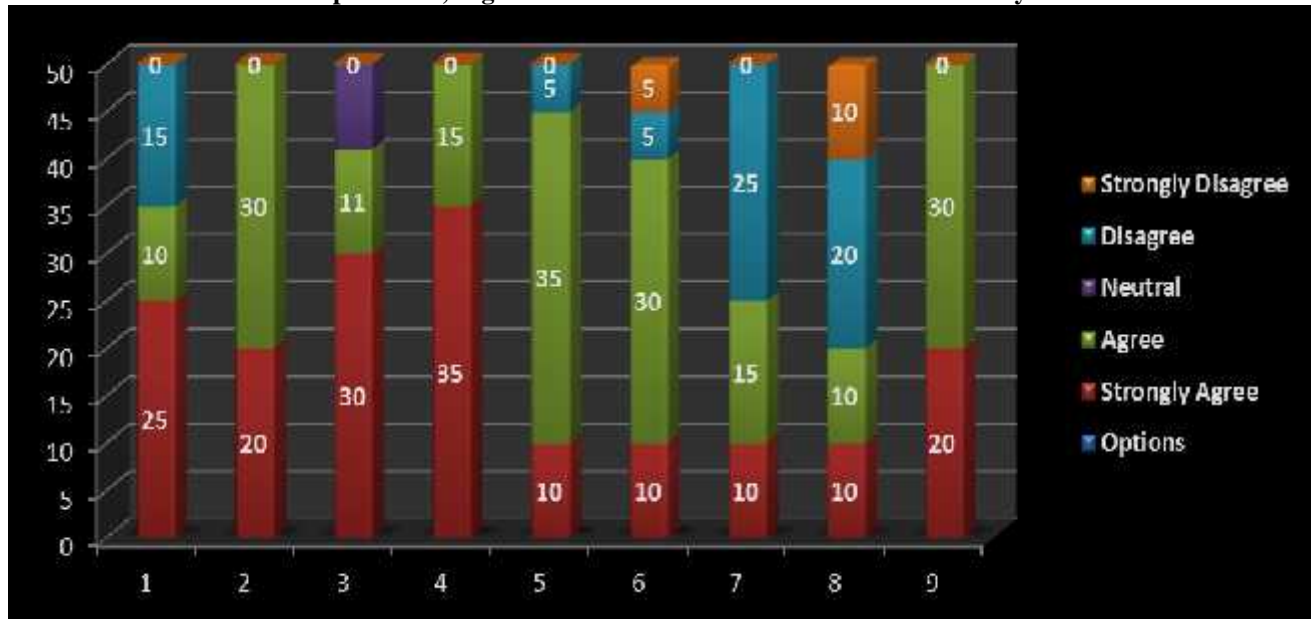
Table No – 2, Organizational Commitment towards CSR activity

SI. No	Options	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Create awareness among the employees towards CSR activity.	25 (50.00)	10 (20.00)	00 (00.00)	15 (30.00)	00 (00.00)
2.	Train employees to know company's values and rules to conduct CSR.	20 (40.00)	30 (60.00)	00 (00.00)	00 (00.00)	00 (00.00)
3.	Developing knowledge on CSR among the employees through workshops, seminars etc.	30 (60.00)	11 (22.00)	09 (18.00)	00 (00.00)	00 (00.00)
4.	Motivate employees to involves CSR activity to provide Intrinsic rewards such as awards, medals etc.	35 (70.00)	15 (30.00)	00 (00.00)	00 (00.00)	00 (00.00)
5.	Provide Financial assistance to conduct CSR activity.	10 (20.00)	35 (70.00)	00 (00.00)	05 (10.00)	00 (00.00)
6.	Prepare proper planning strategies to conduct CSR activity.	10 (20.00)	30 (60.00)	00 (00.00)	05 (10.00)	05 (10.00)
7.	Create positive attitude among the employees towards CSR activity	10 (20.00)	15 (30.00)	00 (00.00)	25 (50.00)	00 (00.00)
8.	Maintain stability of perceptions of CSR throughout the recession.	10 (20.00)	10 (20.00)	00 (00.00)	20 (40.00)	10 (20.00)
9.	Evaluate employee's performance towards organizational CSR activity.	20 (40.00)	30 (60.00)	00 (00.00)	00 (00.00)	00 (00.00)

Sources: Field Survey.



Graph No – 1,Organizational Commitment towards CSR activity.



❖ **Financial Support by the organization towards CSR Activity**

Table No. 3 represents that financial support by Infosys organization towards CSR activity in Mysore District. The overall cost was found to be ₹ 50, 99,600. The highest cost incurred for CSR activity was towards gender equality and empowerment of women and amount stood at ₹ 12, 38,000. In the year 2014-15 the highest total cost was incurred towards CSR activity and the amount stood at ₹ 12, 39,400 and the lowest cost was incurred in the year 2010-11 and the amount is ₹ 9, 05,000. From the view point of poverty alleviation programmes the cost was incurred has been increased from ₹ 1, 20,000 to ₹ 2, 06,000 in the year 2010-11 to 2014-15. In the context of health care programmes the cost was incurred has been increased from ₹ 98,000 to ₹ 1,93,000 in the year 2010-11 to 2014-15. Further the education and empowerment programmes cost has been incurred remains constant ₹ 1,80,000 in the year 2010-11 to 2014-15. From the view point of rural development projects costs has been increased from Rs. 2,10,000 to ₹ 2,43,000 in the year 2010-11 to 2014-15. In the context of gender equality and empowerment of women programmes cost has been increased from ₹ 1,95,000 to ₹ 2,84,000 in the year 2010-11 to 2014-15. From the view point of national, heritage, Art and culture cost has been increased from ₹ 42,000 to ₹ 59,800 in the year of 2010-11 to 2014-15. In the context of environmental sustainability programmes cost has been increased from ₹ 60,000 to ₹ 73,600 in the year 2010-11 to 2014-15.

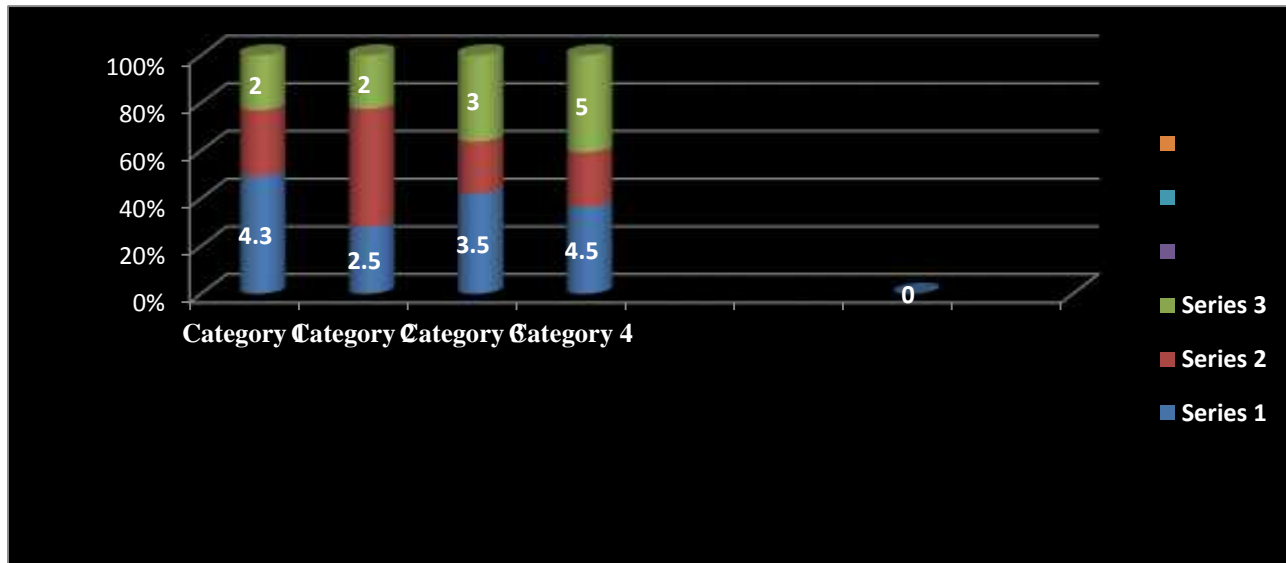
Table No-3, Financial Support by the organization towards CSR Activity

SI.No	Statements	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1.	Poverty Alleviation Programmes.	120000	168000	152000	179000	206000	825000
2.	Health Care.	98000	124000	156000	169000	193000	740000
3.	Education and empowerment.	180000	180000	180000	180000	180000	900000
4.	Rural Development Projects.	210000	186000	198000	236000	243000	1073000
5.	Gender Equality and empowerment of women.	195000	232000	258000	269000	284000	1238000
6.	National, Heritage, Art and culture.	42000	35000	68000	53000	59800	257800
7.	Environmental Sustainability.	60000	61500	67400	72300	73600	334800
	Total	905000	986500	1079400	889300	1239400	5099600

Sources: Annual Reports of Infosys 2014.



Graph No -3,Financial Support by the organization towards CSR Activity



FINDINGS OF THE STUDY

The following are the major findings of the study

- In the context of demographic profile of the respondents, moderate number of 35 male respondents and 15 female respondents are taking corporate social responsibility initiatives.
- It was found that an age pattern of respondents majority of 25 respondents are considered as youth they belonging age group of 25 years and remaining 20 respondents are considered as adult they belonging the age group between 25 to 30 years. Rest of numbering 05 respondents belongs to above 30 years.
- From the viewpoint of occupation, majority of the respondents numbering 25 respondents belongs to managers and equal number of respondents numbering i.e., 15 respondents are belongs to general manager and laborers.
- Further the level of knowledge about the CSR among the respondents, majority numbering 25 respondents are having manageable knowledge regarding CSR and also numbering 15 respondents and 10 respondents are having little knowledge and there is no idea regarding CSR activity respectively.
- Majority 50.00 per cent of the respondents strongly agreed with create awareness among the employees towards CSR activity. Around 60.00 percent of the respondents are agreed with train employees to know company's values and rules to conduct CSR activity.
- Majority 60.00 percent and 70.00 percent of the respondents are strongly agreed that development of knowledge about CSR activity among the employees through workshops, seminars and also motivate employees to involves CSR activity to provide Intrinsic rewards such as awards, medals etc.
- Around 70.00 per cent and 60.00 per cent of the respondents agreed that provide financial assistance to conduct CSR activity and also its necessity to prepare proper planning strategies to conduct CSR activity in the organization respectively.
- The overall cost was found to be Rs 50, 99,600.The highest cost incurred for CSR activity was towards gender equality and empowerment of women and amount stood at Rs. 12, 38,000. In the year 2014-15.
- The highest total cost was incurred towards CSR activity and the amount stood at Rs. 12, 39,400 and the lowest cost was incurred in the year 2010-11 and the amount is Rs.9, 05,000.
- From the view point of poverty alleviation programmes the cost was incurred has been increased from Rs. 1, 20,000 to Rs.2, 06,000 in the year 2010-11 to 2014-15.
- In the context of health care programmes the cost was incurred has been increased from Rs. 98,000 to Rs.1, 93,000 in the year 2010-11 to 2014-15.
- Further the education and empowerment programmes cost has been incurred remains constant Rs 1, 80,000 in the year 2010-11 to 2014-15.



SUGGESTIONS FOR THE STUDY

The following are the major suggestions for the study

- The organizational authorities can appoint of an independent authorized committee to monitor, evaluate and report the impact of CSR in annual reports. And Periodic training programmes to train beneficiaries involved in CSR activities.
- Allocating and spending 2% of the company's net profit, worth profit, annual turnover on social development projects should reflect in the annual balance sheet of the company.
- Organization should try to provide other training programmes like computer education and screen printing, water cleanliness and sanitation facilities, women empowerment etc.
- Organization should try to choose candidates objectively for undergoing training of CSR activity and should come up with the activities which not only involve rural people but also urban people.
- Create Ethical culture and ethical climate. The regression results show that organizational identification is the intermediary variable between employee perception of CSR and organizational commitment, which indicate that companies need to create culture and climate in order to promote the fit between organization and employees
- Build and improve the information communication mechanism of CSR, in order to promote employees' relative perception. Although most of the companies have already realized the importance to inform their CSR actions to external stakeholders, for example, consumers, suppliers and government agencies, they often ignore their internal stakeholder, employees.

CONCLUSION

The concept of corporate social responsibility (CSR) plays a dominant and wider role in social and economic development of the society. Organization attracts more customers towards the company business and motivates the employees and leaves positive effect over their performance and rate of retention with those employees. If organization chooses to follow the way of CSR activity, it will integrate ethical concerns in its function in such a way that their CSR activities in all likelihood actually reach out to the beneficiaries in the society in general. CSR activities and implement those activities that demonstrate a convergence between the firm's economic objectives and the social objectives of society. The organizational commitment of employees employers should note that as a result of participating in employer sponsored volunteerism, employees report increased agreement with organizational values and an increased perception that the organization and the employee share common values.

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