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Perception of chief executive officers on promoting safety, health and environment through corporate social responsibility

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Introduction:

Today, many companies in many countries and across many industries have introduced some form of corporate social responsibility. Because business groups have now realized that in the global and highly competitive market place, success rests on the firm's ability to sustain its growth through inclusion of multiple stakeholders (Robbins and DecenZo, 2006)[1]. This demands organizations to be more responsible to the environment they operate in corporate social responsibility is an innovative approach undertaken by the corporate in the process of sustainable development. Behaving in a socially responsible manner is increasingly seen as essential to the long-term survival of companies. An international survey conducted by Price water house Coopers in early 2002 found that nearby 70 percent of the global chief executives believed that addressing corporate social responsibility (CSR) was vital to their companies' profitability (Simms, 2002)[2]. For upkeep of occupational health and safety of work place, there are a number of laws, rules, and regulations. However, health and safety of workers and employees away from the work place. This is leading to the loss of production and profit. Health, safety and environment management system of most of the organizations doesn't take care of this aspect and here CSR can play a big role. In this context, an attempt is made in the present study to evaluate and understand the perceptions/opinions of CEOs on promoting SHE through CSR. Hence the statement of problems is as under:

"Perception of chief executive officers on promoting safety, health and environment through corporate social responsibility".

2. Review of literature

For finding out the gap in earlier research, review is done as under:

2.1 International studies on CSR

2.2 National studies on CSR

2.1 International studies on CSR:

1. Simms (2002)[3] studied relationship between CSR and business at international level and found out that nearly 70 percent of the global chief executives believed that addressing CSR was vital to their companies' profitability.
2. Deniz and SuareZ (2005)[4] have shown distinctions among classical, socio-economic, philanthropic and modern views on CSR.
3. The attitude towards CSR of executive and management in Malaysia was examined by Rashid and Ibrahim (2002)[5] and found that CSR enhanced brand image and goodwill of the company.
4. Carroll's (1979)[6] and Wood's (1991)[7] contributions in respect of CSR has given a new height in the concept and model development of CSR.
5. Stakeholders involvement in one of the major components of corporate social responsibility on the other hand, employee as well as community support is also a very integral part of CSR, observed by Khoury et.al. (1999)[8] whereas Sarkar (2012)[9] state that CSR is an inevitable matter which was adopted globally to ensure social development of the world.

2.2 National studies on CSR:

1. CSR issues and challenges in India are examined by Berad (2011)[10] along with benefits of implementation, whereas Jain (2008)[11] evaluated factors that are hinder the CSR development and found that situation is changing at fast pace. Das (2009)[12] analyzed status and direction of corporate social responsibility in Indian perpective. Companies approach, shareholders approach and citizen approach towards CSR was highlighted by Sable (2009)[13].
2. A study on Goa in respect of corporate social responsibility by Pednekar (2011)[14] observed the relationship between CSR and welfare of society. CSR and five stakeholders namely customer, employee, environment, community and corporate governance in the Indian textile industry was examined by Kavitha and Shaik (2011)[15] and found that employee and environment CSR is highly important.
3. CSR and low related issues are studied by few experts during 2014-2016 (Chhabra, 2014, Prasad 2014, Sahney 2014 and Shroff 2014) [16, 17, 18, 19], in connection of India. Whereas CSR and SHE relation is highlighted by Shrivastava (2016)[20].

Rehman (2011)[21] **evaluated 32 definitions on CSR and summarized his work as under:-**

Decade	CSR concern
1. 1950's	Obligation to the society
2. 1960's	Relationship between corporation and society.
3. 1970's	Stakeholders' involvement.
4. 1980's	Voluntariness, profitability, law abiding, ethics and sociality supportive , economic, legal, ethical or philanthropic.
5. 1990's	Stakeholders, involvement, obligation of society, environment, people, profit.
6. 21st	Economic development, quality life, ethical behavior, human right, protection of environment, transparency and accountability, social commitment etc.

It is concluded from review of literature that environment aspect is concern in CSR but not health and safety directly. Hence a study is needed to know whether CSR help in promoting safety, health and environment.

3. Objectives of the study:

The following are the objectives of the present study.

1. To study and evaluate promoting SHE through international CSR concept.
2. To study and evaluate promoting SHE through national CSR concept.
3. To compare the promoting SHE through national and international CSR concept.

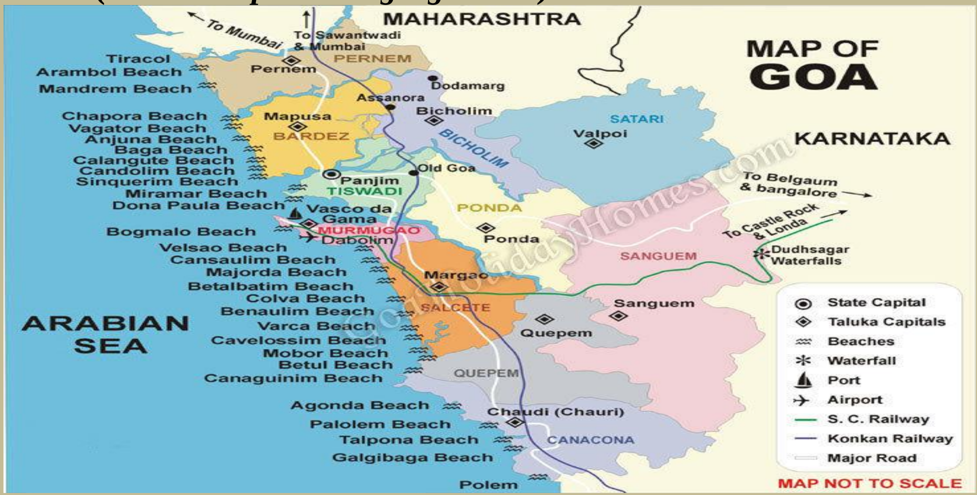
4. Hypothesis of the study:

Promotion of SHE through national CSR concept is higher than that of international CSR concept.

5. Methodology and layout of the study:

CSR deals multi-dimensional aspects of business concern. This study aim at gaining familiarity and achieving insights into the phenomenon i.e. promoting SHE through CSR. The secondary data of the present study are obtained from newspapers, books , reports, various journals, emails and websites. Whereas primary data are obtained through e-mail and personal interview, mobile, whatapps, observations, discussions with ceos and managers etc. The author has visisted various websites and companies to gather the as many as latest updated information. Primary data is collected from 97 Pharma, engineering, chemicals, and mining companies, operating in Goa. Sample and sample size of the study is 97 chief executive officers (ceos) who are working in above mentioned companies in Goa. Questionnaire was used to collect perception of ceos towards promoting SHE through national and international CSR. The area of study is Goa which is shown in Figure-1.

MAP OF GOA(*Source: https://www.google.com/*)



6. Perception of CEOs on promoting SHE through international concept of CSR:

6.1 International concept of CSR:

To understand the conceptual background of CSR at international level few main definitions are presented in Chart -1

Main international level CSR definitions

Author and year		**Definitions**
1)	Bowen (1953)[22]	It refers to the obligations of business man to pursue those policies, to make those decisions, or follow those lines of action which are desirable in terms of the objectives and values of our society.
2)	Carroll (1979)[23]	The Social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time.
3)	Khoary et.al (1999)[24]	Corporate Social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations and welfare, creation and maintenance of employment, environmental stewardship and financial performance.

4)	World Business Council for sustainable development (W.B.C.S.D.) (2008)[25]	Defined CSR as 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.
5)	Elkington (1992)[26]	Social responsibility (people), environmental responsibility (Planet) and economic responsibility (profit) was covered in CSR and defined CSR as a socially responsible company can be considered as an institution for economic prosperity, social environment protection.
6)	World Bank (2002)[27]	CSR as the business' obligations to provide renewable economic development through cooperation with employees, their families, the local community and society in a manner that enhances their livelihood and consequently leads to beneficial business and development.
7)	European 2002 Commission (2002)[28]	CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.
8)	Villanova et.al (2008)[29]	Five dimensions include in CSR such as leadership, workplace, accountability, market place and community relations.
9)	Hopkins (1998)[30]	Corporate social responsibility is concerned with treating the stakeholders of the firm ethically or in socially responsible manner. Stakeholders exist both within a firm and outside. Consequently behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation.
10)	Thomas M. Jone (1980)[31]	Corporate social responsibility is the notion that corporations have an obligation to constitute groups in society other than stock holders and contract

Rehman (2011)[32] evaluated 32 definition of CSR between 1953-2008 in his article on Evaluation of definitions : Ten dimensions corporate social responsibility" and found out ten dimensions are covered by CSR concept as under:

1. Obligation to the society
2. Stakeholders' involvement
3. Improving the quality of life
4. Economic development
5. Ethical business practice
6. Law abiding
7. Voluntariness'
8. Human rights
9. Protection of environment and
10. Transparency and accountability (i.e. social and environmental audit).

It can be seen from Chart-1 that health and safety aspect is excluded from international CSR concept (i.e. definition) whereas environment aspect is covered in the CSR concept. The outcomes based on process of responsiveness with respect of CSR principles and economic, legal, ethical, and discretionary domains may differ industry to industry and across the country and it may not useful uniformly for comparison purpose. In this context it was asked to CEOs that does 'Ten dimensions of CSR concept help in promoting safety, health and environment (SHE).

6.2 Promoting SHE through international CSR concept:

Responses of CEOs on promoting SHE through international CSR concept is presented in Table-1.

Table-1

Perception of CEOs on promoting SHE through international concept of CSR (i.e. Ten dimensions) N = 97.

International CSR Concept i.e. Ten dimensions	Responses of CEOs			
	Agreed		Disagreed	
	Frequency	Percentage	Frequency	Percentage
1. Obligation to the society	07	7.22	90	92.78
2. Stakeholders involvement	09	9.28	88	90.72
3. Improving the quality of life	21	21.65	76	78.35
4. Economic development	31	31.96	66	68.04
5. Ethical business practices	20	20.62	77	79.38
6. Law abiding	17	17.53	80	82.47
7. Voluntariness	02	02.06	95	97.94
8. Human rights	04	04.12	93	95.88
9. Protection of environment	96	98.97	01	1.03
10. Transferency & accountability	18	18.56	79	81.44
Total (Average)	**23**	**23.71**	**74**	**76.29**

Table -1 shows that :

1) Out of 97 CEOs (respondents) 7 (7.22 percent), 9 (9.28 percent), 21 (21.65 percent), 31 (31.96 percent), 20 (20.62 percent), 17 (17.53 percent), 2 (2.06 percent)), 4 (4.12 percent), and 18 (18.56 percent) are agreed that obligation to the society, stakeholders' involvement, improving the quality life, economic, development, ethical business practices, law abiding, voluntariness, human rights, and transference and accountability helping in promoting SHE.
2) 96 (98.97 percent) CEOs out of 97 are state that 'yes' environment dimension of CSR help in promoting SHE.
3) Majority respondents disagree that international CSR dimension such as obligation to the society (92.78 percent), stakeholders involvement (90.72 percent), improving the quality life (78.75 percent), economic development (68.04 percent), ethical business practice (79.38 percent), law aiding (82.47 percent), voluntariness (97.94 percent), human rights (95.88 percent), and transference and accountability (81.44 percent) are not helping in promoting SHE.
4) Majority respondents in respect of dimension environment (98.97 percent) out of 97 agreed that protection of environment dimension of CSR concept help in promoting SHE particularly environment.

5) Out of 97 respondents, 23 (23.71 percent), and 74 (76.29 percent) overall agreed and disagreed on international CSR concept help in promoting SHE. It means majority (76.29 percent)) respondents out of 97, state that international concept of CSR is not helping in promoting SHE.

7. Perception of CEOs on promoting SHE through national concept of CSR:

(Perception of CEOs on promoting SHE through Company Act 2013 CSR concept). The concept of CSR developed at international level is not covering safety and health directly. Even concept given by world business council for sustainable development and world bank focus on obligation to the society, ethical business practice, improving the quality of life and economic development SHE is not the part of CSR directly. To overcome this Government of India pass Company Act, 2013 where coverage of CSR very comprehensive. The Act implemented from April 1, 2014.

7.1 Features of the Section 135 of the Companies Act, 2013:

1. The government notified the much-awaited provisions mandating companies to plough back at least **2 per cent** of their net profit on investment of the society. The Ministry of Corporate Affairs (MCA) has notified **Section 135 and Schedule VII of the Companies Act, 2013,** which relate to corporate social responsibility (CSR) that will be effective from April 1, 2014 as part of the new Companies Act, Government of India (2013)[32]
2. The norms will apply to companies with at least Rs. 5 crore net profit or Rs. 1,000 crore turnover or 500 crore net worth. These companies will have to spend **2 per cent** of their three-year average annual net profit on CSR activities in each financial year, starting from **F.Y.2015.**
3. According to the norms, the CSR activities will have to be within India, but will apply to foreign companies registered in the country. The ministry, which has also listed out permissible activates, said companies will need to take approval from their board for CSR activities in accordance with its CSR policy and the decision of its CSR committee.
4. The government said that activities such as promoting preventive health care and sanitation, setting up homes and hostels for women and orphans and livelihood enhancement projects would qualify.
5. The New Act requires companies to appoint a Corporate Social Responsibility Committee consisting of at least three directors. If a company is one that is required by the New Act to appoint independent directors to its board, then the CSR committee must include at least one independent director. The CSR committee is required to recommend a formal CSR Policy. This document, which is to be submitted to the company's board, should recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor the implementation.

7.2 National concept of CSR (i.e. CSR as per Companies Act 2013):

CSR given by Companies Act 2013 is treated national CSR concept. CSR activities are included in Schedule VII Section 135 of the Companies Act, 2013 which are as under:

i. Eradicating extreme hunger and poverty;
ii. Promotion of education;
iii. Promoting gender equality and empowering women;
iv. Reducing child mortality and improving maternal health;
v. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

vi. Ensuring environmental sustainability;
vii. Employment enhancing vocational skills;
viii. Social business projects;
ix. Contribution to the prime minster's national relief fund or any other fund set up by the central government or the state governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
(i) Such other matters as may be prescribed.

It means concept provided by Companies Act,2013, referred here national concept of CSR; includes directly health (point iv, v and ix) and environment (point vi) and indirectly safety aspect (rest of the points). However, it is seen that safety aspect is excluded from Indian concept of CSR also and health and environment aspect included (or become part of CSR definition) in the CSR concept. This definition is one step ahead than that of world concept of CSR. In this context, the opinions of CEOs are studied asking them does national CSR concept (Companies Act 2013 concept) help in promoting SHE.

7.3 Promoting SHE through national concept of CSR:

Do you agree or disagree on concept of CSR given by Companies Act, 2013 is promoting SHE. The responses of CEOs are presented in Table-2.

Table -2
Perception of CEOs on promoting SHE through Companies Act 2013 CSR (National CSR Concept) (N=97)

National CSR Concept i.e. Ten dimensions		Responses of CEOs			
		Agreed		Disagreed	
		Frequency	Percentage	Frequency	Percentage
1.	Eradicating extreme hunger and poverty	63	64.95	34	35.05
2.	Promoting of education	74	76.29	23	23.71
3.	Promoting gender equality and empowering women	75	77.32	22	22.68
4.	Reducing child mortality and improving maternal health	89	91.75	08	8.25
5.	Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	91	93.81	06	6.19
6.	Ensuring environmental sustainability	96	98.97	01	1.03
7.	Employment enhancing vocational skills	79	81.44	18	18.56
8.	Social business projects.	50	51.55	47	48.45
9.	Contribution to the Prime Minster's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development	70	72.16	27	27.84

	and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women				
10.	Such other matters as may be prescribed	0	0.00	97	100.00
	Total (Average)	**69**	**71.13**	**28**	**28.87**

It can be revealed from Table-2 That :

1. Out of 97 respondents (CEOs) 63 (64.75 percent),, 74 (76.29 percent), 75 (77.32 percent), 89 (91.75 percent), 91(93.81 Percent), 96(98.97 Percentage),79 (81.44 percent), 50 (51.55 percent), 70 (72.16 percent)) and Zero (Zero percent) agreed that eradicating extreme hunger and poverty, promoting education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, funds to PM relief and other matter help in promoting safety, health and environment.
2. Out of 97 respondents 34 (35.05 percent), 23 (23.71 percent), 22 (22.68 percent), 08 (8.25 percent), 6 (6.19 percent), 1 (1.03 percent), 18 (8.56 percent), 41 (48.45 percent), 27 (27.84 percent), 97 (100 percent) state that they are not agree on CSR concept such as eradicating extreme hunger and poverty, promoting of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency, ensuring environmental sustainability employment enhancing vocational skills, social business projects, National relief fund contribution, and other matter helping in promoting safety, health and environment.
3. Out of 97 respondents, 89 (91.75 percent) and 91 (93.81 percent) agreed on CSR concept help in promoting health aspects whereas 96 (98.97 percent) respondents out of 97, are of the opinion that CSR concept help in promoting environment.
4. Overall out of 97 respondents, 69 (71.13) and 28 (28.87 percent) are agreed and disagreed on CSR promoting safety, health and environment.
5. Majority respondents (71.13 percent) out of 97 state that they are agree that CSR concept help in promoting SHE.
6. National concept of CSR is helping in promoting safety, health and environmental issues/aspects at higher rate.

8. Comparing promoting SHE through national and international concepts of CSR:

Table 1 and Table 2 shows promoting nature for SHE through international and national concept of CSR. A comparison between two concept is made in order to know which concept is better in promoting SHE in India. In the concept of international CSR 10 dimensions are identified as against this, in Indian CSR concept (national) also 10 dimensions are located. A comparison result shown in Table-3.

Table -3

Comparison of SHE promotion through national and international CSR concept.

CSR concept	**Promoting SHE**			
	Agreed		**Disagreed**	
	Frequency	**Percentage**	**Frequency**	**Percentage**

1.	National concept of CSR	69	71.13	28	28.87
2.	International concept of CSR	23	23.71	74	76.29

It can be revealed from Table 3 that :

1. Out of 97 respondents, 69 (71.13 percent) agreed national concept of CSR help in promoting SHE. Whereas out of 97 respondents, 23 (23.71 percent) agreed on international concept of CSR help in promoting SHE.
2. Promotion of SHE through national concept of CSR (71.13 percent CEOs agreed out of 97) higher than that of promotion of SHE through international concept of CSR (23.71 CEOs agreed out of 97). It is higher by 47.42 percent (71.13 – 23.71).

9. Hypothesis testing:

Hypothesis: Promotion of SHE through national CSR concept is higher than that of international CSR concept

Table 3 shows that 71.13 percent CEOs out of 97 agreed that national CSR concept is promoting SHE. Whereas 23.71 percent CEOs out of 97 agreed that international CSR concept is promoting SHE. Hence it is stated that promoting SHE through national CSR concept is higher than that of promoting SHE through international CSR concept. Hence hypothesis stands accepted.

10. Conclusions:

1. International CSR concept excluded safety and health dimension.
2. 23.71 percent CEOs out of 97 agreed on international concept of CSR promoting SHE.
3. 71.13 percent CEOs out of 97 agreed on national concept of CSR promoting SHE.
4. Promotion of SHE through national concept of CSR is higher than that of promotion of SHE through international concept of CSR.

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