

THE UGC XII<sup>TH</sup> PLAN

MINOR RESEARCH PROJECT  
(SOCIAL SCIENCE-COMMERCE)

**DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY  
IN THE INSURANCE SECTOR WITH SPECIAL  
REFERENCE TO THRISSUR DISTRICT**

**EXECUTIVE SUMMARY**

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# **Summary of the UGC Minor Project entitled**

## **DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY IN THE INSURANCE SECTOR WITH SPECIAL REFERENCE TO THRISSUR DISTRICT**

Corporate social Responsibility (CSR) is a type of corporate self-control coordinated into a plan of action. CSR strategy works as an inherent, automatic system whereby a business screens and guarantees its dynamic consistence with the soul of the law, moral models, and global standards. In a few models, an association's execution of CSR goes past consistence and takes part in "activities that seem to facilitate some social great, past the interests of the firm and that which is required by law." CSR is a procedure with the intend to grasp obligation regarding the organization's activities and support a positive effect through its exercises on the earth, purchasers, workers, networks, partners and every other individual from general society circle who may likewise be thought about partners. Corporate Social Responsibility (CSR) is an idea whereby organizations coordinate social, ecological and wellbeing worries in their business technique (approach) and tasks and in their connections with partners on an intentional premise. The social duty of business includes the monetary, legitimate, moral, and optional desires that society has of associations at a given point in time (Carroll, 1979).

Various driving insurance agencies are presently occupied with network contribution programs. They offer motivators, for example as paid time off, for network benefit exercises, with the goal that representatives can take an interest in ventures which require time and assets. A few organizations add to the financial renewal of low-wage neighbourhoods; others grow long term associations with foundations, local gatherings and different partners; others support education, charity giving and community recovery, including staff and specialty units. A huge number of representatives volunteer to help in their networks, working in schools, nearby specialists, network organizations, social undertakings, and so on

While figuring CSR best practices, safety net providers ought to think about clients, workers, investors, delegates, providers, controllers and the more extensive network. The interests of these partners are immense, and back up

plans should center on those that are influenced by, or line up with, their business activities. There are numerous potential advantages. Back up plans can acquire a prevalent notoriety in the market. They can build commitment and unwaveringness among staff while decreasing turnover rates. CSR can likewise increase long term manageability and productivity by forming the market's focused condition and the community as a whole. Eventually, it will bring about back up plans ending up more alluring to financial specialists, who are progressively worried about CSR and corporate administration.

## **1.2 Statement of the problem**

Corporate Social responsibility in insurance sector is an innovative concept. Kerala is the place where many insurance companies have opened their market in the private sector. It is quite inevitable to know their responsibility towards their stakeholders. Many insurance companies compete intensively for profit in the cultural city of kerala, THRISSUR. The dimensions of CSR have a far and long term impact on the growth of insurance sector. The study gains insight to the dimensions of CSR at Thrissur district. The attitude of insurance companies towards various aspects of social contribution is the problem identified in the study. The focus is to know the impact of CSR on the stakeholders.

## **1.3 Objectives of the Study**

- 1.) To understand why an insurance company contributes to a social cause.
- 2.) To study the views of customers and employees on various dimensions associated with Corporate Social Responsibility in the insurance sector.
- 3.) To provide suggestions based on the study.

## **1.4 Research Methodology**

The research methodology is defined as a highly intellectual human activity used in the investigation and also deals how the data is collected, analyzed and interpreted. Therefore, this section discusses on how the research is carried out in terms of the research design, data collection methods, sampling design, data processing and data analysis. For this research project, questionnaires were circulated in LIC to our targeted respondents i.e., Customers and Employees.

### **1.4.1 Research Design**

The research is quantitative in nature, where the researcher used questionnaire of different predictor of CSR impact on stakeholders i.e., Employees and Customers. The study is structured and is a descriptive study. An attempt is made by the researcher to know the perception and opinion of implementing CSR.

#### **1.4.2 Data Collection Methods**

##### **1.4.2.1 Primary Data**

The data used in this study was collected through questionnaire developed by the researcher in accordance with the previous studies.

##### **1.4.2.2 Secondary Data**

Secondary data was collected from books, journals and websites

#### **1.4.3 Sampling Design**

The population from which the sample was drawn for the study consists of LIC branches located in Thrissur District, Kerala. The sampling frame of this study consists of customers and employees associated in insurance sector.

<b>Table (1.1) Sample size of LIC Customers and Employees</b>		
	<b>Customers</b>	<b>Employees</b>
<b>LIC</b>	<b>60</b>	<b>40</b>

##### **1.4.3.1 Sample Framing**

The study is based on a sample frame of Indian insurance companies LIC

##### **1.4.3.2 Sampling Techniques**

This research is done based on Convenience Sampling. Convenience sampling is easier to conduct as it helps the researchers to obtain a large number of respondents quickly at a lower cost. . Likert five point scale has been used for scaling

### **1.4.3.3 Data Analysis.**

Modern statistical tools with the help of SPSS have been used for analysis. The collected data has been presented in tables and diagrams. Percentage analysis along with mean and standard deviation has been considered for analysis.

### **1.5 Limitations of the Study**

- The geographical area is limited.
- Interpretations are based on the response of the respondents. Therefore the research is limited by the capability, genuineness and willingness of the respondents.
- The sampling method adopted and sample size selected also can be limited factors.

### **1.6 Scheme of the Study**

The project consists of five chapters. a) Introduction b) Review of Literature c) Theoretical Framework d) Data analysis e) Findings, suggestions & conclusion. Detailed data analysis done using SPSS and other statistical tools.

## **MAJOR FINDINGS**

- LIC dependably trusted that setting up solid and moral organizations is an essential for long term manageable development. LIC centers on keeping up the nature of business and formation of long term value for policy holders and other stakeholders. The Insurance business perceives the significance of CSR activities must run as one with an awareness of other's expectations towards the general public..
- The company's Act mandates companies to spend at least 2% of their average net profit on CSR activities. This is another major cause why insurance contributes to society.
- Majority of the respondents (60%) are female.
- 33.3% of the respondents are in the age group of 25-35, 25% are below 25 years, 21.7% belong to above 45 years and the remaining respondents belong to the age group of 35-45 years.

- Out of sixty respondents,34.3% are undergraduates,35.7% are post graduates and remaining are graduates.
- Majority(60%) of the respondents have an annual income below 150000 followed by 30% whose annual income is in between 150000-300000
- Majority of the respondents are graduates
- There is awareness among the customers about the term Corporate Social Responsibility.
- Since it has become mandatory that CSR need to be done by all the companies, many companies are compelled to serve the society and to be more responsible. The customers also feel it is highly appropriate to perform CSR in a compulsory way.
- Though LIC is performing many CSR activities, the customers are being ignorant of the activities performed. This is a great concern which needs to be addressed with. Mean of 2.5 indicates the low awareness.
- Respondents are not aware whether LIC is regular in performing CSR activities. Active participation of public need to be ensured by the companies about the activities that they perform.
- Less awareness among the customers about the term brand building.
- Customers believe that brand image can be created when the company involves more to the society and this can be developed through CSR. The customers had a high perception in this regard.
- Customers also believe that creating a good image and being more socially responsible creates a better outlook for the company and thereby can enhance the profitability of the concern. Customers feel that CSR contributes highly to profit.
- Mean of 2.93 indicated that customers have a low perception as they don't consider CSR alone as the basis in selecting insurance providers.
- Customer's feels that CSR if performed by the company, is done compulsorily and people have a low remark as they don't believe that ethical and moral reasons are the base for CSR activities.
- The reputation of the company is the major reason why the companies go for CSR activities.Inspite of compulsion; it is the build-up of reputation which matters more.
- Customers wholeheartedly agreed that the need of the customers are been satisfied by the LIC.

- LIC charges fair prices for the services rendered. There was a high perception among the respondents regarding the same.
- Customers do agree to the fact that LIC always has superiority over other service providers. Mean of 4.15 shows a very high satisfaction with regard to the quality of services provided.
- Customers are highly satisfied on the view that customer satisfaction is important for the company. LIC always has a positive growth because of the value that they provide to the customers. Customers do regard the same.
- Mean of 3.73 points out that customers are highly satisfied if the company is involved in CSR activities. Through CSR the customers feel that the company will be able to reach the customers in a better way and to create a positive change in the society.
- The customers are highly loyal towards the purchase of a new policy next time with the company that takes initiative in CSR activities
- Customers feel loyal to the company and they also will recommend (mean 3.52) the company to others for any purchase. People have a high opinion on LIC and its services.
- Customers feel positive that LIC has created a trust in them. They believe that CSR creates a confidence and this increased a trust in the minds of customers.
- Out of the total respondents, 60% of the employees are male, majority of the employees belong to the age group of above 45 years, 50% of the employees have an annual income of 500000 and above, 40% of the employees are office staff of LIC, 21 of the respondents were having an experience of 10-15 years, and 52.5% among the employees were postgraduates.
- The mean above 4 shows the employees have a high perception about the aspects of CSR. Employees of LIC highly agreed that LIC is actively involved in CSR. And the employees agreed that the reputation and image of the company had gone up and the brand image has improved since the CSR has been implemented mandatorily. They are of the opinion that CSR affect the sales of a company to a great extend positively. Profitability of the company has also increased after the implementation of CSR (Mean 4.18). They strongly opined (Mean 4.38)

that the business performance has improved after the CSR being implemented.

- The employees are highly satisfied in their working framework at LIC. All the attributes tested had a mean of above 4 which shows high level of satisfaction of employees. They strongly opined that LIC often organizes training programmes for them which are quite beneficial for them in the long run. The employees are highly satisfied with their job (Mean 4.68) and their working condition. The opportunities and cooperative atmosphere makes the employees highly coordinated one. Also their satisfaction towards CSR activities is extremely high.
- Analysing the loyalty of the employees, it is revealed that the loyalty has increased after the implementation of CSR. Mean above 4 indicates that employees are highly loyal towards the company. A mean of 4.46 stated the commitment of employees is very high towards the contribution of success. Employees are very highly satisfied (Mean 4.10) when they work with a company that has a strong CSR and which supports charitable initiatives which in turn strengthen the locality around us. They also feel that the community support helps in the retention of customers (Mean 4.30). Employees are found to be highly loyal and highly committed when they work for a concern which is actively involved with the society.

## **SUGGESTIONS**

- Corporate social responsibility has a global impact. Company can focus on the community and actively involving with the local community. Opportunities need to be searched for to participate in the events of the community and the company can also make sure that the community sees the name of 'LIC' which will enhance the awareness of CSR. Also the community involvement should never be an occasional thought. An active plan always must be set out which should have a committee where public also gets a chance to be actively involved with.
- Company should always act as a direct supporter of the local people beyond their participation in community events

- Encourage the employees to plan new CSR initiatives. It will be easy to raise new concepts of innovation through them. Employee participation will make them more responsible and this will ensure responsibility as a part of performance culture
- A long term commitment needs to be created among the companies to foster CSR in its real sense.
- LIC can concentrate in creating training sessions to employees which will retain their talent and to have a creative mindset and personal commitment.
- The core values of the company need to be communicated and reinforced among its stakeholders.

## **CONCLUSION**

The concept of corporate social responsibility has gained momentum throughout the world and LIC is no exception to it. It is after the liberalization, that it was recognized in India. Today the insurance sector has started their CSR activities for enhancing the image and reputation of the company thereby creating a brand value. Also there is a growing trend that for any business to survive and succeed, they need to concentrate on the progress too. And ethical concepts have a wider implication in India where there is a wide gap between rich and poor. LIC has increased their CSR activities, which will also have a positive impact on the performance of business. CSR provides a great platform to bring the insurance companies closer to the local people for their socio economic upliftment thereby fostering sustainable development. Therefore in today's economy, the corporate are given more responsibility to serve the society in an all-round way.

