

# A Study on Effect of Corporate Social Responsibility on Rural Development

Amruth Raj Nipatlapalli<sup>1</sup>, Dr. Suja S Nair<sup>2</sup>

<sup>1</sup> Research Scholar, Department of Business Management, VSU, Nellore, A.P.

<sup>2</sup> Associate Professor, Department of Business Management, VSU, Nellore, A.P.

Email: ammu.prassy@gmail.com<sup>1</sup>

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## **Abstract**

*Corporate Social Responsibility is a key concept in the business world particularly in developing countries like India. In India many companies or industries have modified their policies, activities and are engaged into Corporate Social Responsibility (CSR) especially on rural development beyond their financial aspects. India is the first country following and implementing legally and made a regulation in the constitution under the "companies act.2013, Section 135, clause VII. The purpose of this research was to address gaps identified in the literature regarding the implementation of CSR at the social level and the initiatives that influence this implementation. The study has established that current theorizing fails to provide satisfactory guidance to the topic as the relevant literature suffers from three significant shortcomings.*

**Keywords:** *Corporate social responsibility, companies, rural development*

## **Introduction**

Corporate Social Responsibility is a key concept in the business world particularly in developing countries like India. In India many companies or industries have modified their policies, activities and are engaged into Corporate Social Responsibility (CSR) especially on rural development beyond their financial aspects. India is the first country following and implementing legally and made a regulation in the constitution under the "companies act.2013, Section 135, clause VII. Many researchers, economists and authors are focusing in the present scenario on corporate social responsibility in India, because it is the raising issue for the economic standard of the India. Within the part of corporate social responsibility, many companies are implementing their CSR activities on rural development. In India, after bifurcation of

Andhra Pradesh the state is in a big financial crisis and the govt. of Andhra Pradesh has no sources to improve the quality of lives of the rural people. At that time, Govt. of Andhra Pradesh called and requested companies to adopt villages for development. This study is aimed to find out of the socio-environmental conditions of the rural people through CSR activities. And finally to find out the impact level of corporate social responsibility on rural development.

## **Review of literature**

According to Bowen "Corporate Social Responsibility of businessmen refers to 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" In other words, according

to Indian Companies Act 2013, section 135, clause VII, every company who should have Net worth of 500cr or more or Turnover of 1000cr or more or Net profit of 5cr or more should spend 2% from their profits which is preceding by 3 years of average profits towards corporate social responsibility.

Miguel Arato, Stijn Speelman and Guido Van Huylenbroeck, 2016: Corporate Social Responsibility is regarded as a feasible driver for rural development. Although focusing on rural development probably is not relevant for all types of companies, managers interested in supporting rural development through CSR strategies could use the identified strategies as a reference when designing their own strategies, considering of course, their particular case and needs. The challenge for the future is to encourage a higher participation of firms in Rural Development, which for some cases would represent investing in groups that are not directly linked to their operations, but that share common interests in land and society. Pooja Rani, MS Khan, 2015: major problems of CSR implementation are few interests of company & lack of awareness, knowledge towards CSR among the employees. main benefit through CSR adoption is improving relationship with all stakeholders and then build corporate reputation. Yemokhya Fakhay, 2015: The concept of CSR has undergone radical change. It has integrated social as well as environmental issues into their missions and decisions. Companies take keen interest in informing about their CSR activities to their stakeholders as well. Nithin Kumar, 2014: In his study he says that CSR clearly impacts our corporations, society, and educational organizations. Despite its complexities, the numerous sustainability initiatives point toward continued, positive impact. CSR policy should function as a built-in, self-regulating mechanism whereby businesses would monitor and ensure their adherence to law, ethical standards and international norms. In the recent year's corporate business houses have substantially involved towards societal

responsibilities. Companies have started to realise the importance of CSR and initiating the steps towards it.

### **Theoretical framework of the research**

The review of CSR literature revealed certain gaps in available knowledge as discussed already in the review of literature. It shows there is an uncertainty regarding the actual spread of CSR activities; Disagreement on the value of implementation on rural areas through CSR activities, and controversy what drives firms to voluntarily adopt CSR practices. This situation calls to researchers to investigate certain areas, addressing their companies towards rural development. Based on the literature reviewed, this section is seeking to develop a theoretical framework that will enable this study empirically scrutinize theories and produce findings that advance existing knowledge on this topic. This is achieved on the basis of an inter-disciplinary approach, drawing on the diffusion of innovation theory, legitimacy theory, Social contractual theory and theory of Stakeholders theory (theory of conceptualization). Although these theories may often overlap, they offer a rich framework for exploring questions pertaining to the impact of CSR on rural development. These theories would give a clarification on "why companies adopt CSR activities", "Why companies maintain CSR as a legitimacy for sustainable development", "why stakeholder's perception is necessary for CSR activities" and "How the impact of CSR activities are useful to rural development".

### **Diffusion of innovation theory**

3.1. Why companies adopt Corporate Social Responsibility (CSR): It involves very different methodologies, types of evidence, and criteria of appraisal accordingly, they categorised three branches of stakeholder literature: descriptive, instrumental and normative approaches. Each branch is discussed in the following sections and the common features of the various conceptions of

stakeholder theory are identified. Diffusion of innovations theory has been previously used by many CSR scholars (e.g. Corbett & Muthulingam, 2007; Corbett & Kirsch, 2001; Delmas, 2002; King & Lenox, 2001) in their endeavor to establish whether firms adopt CSR tools, as a means of enhancing their CSR performance or for other reasons. The literature on diffusion of innovations perceives management standards as managerial innovations (Rogers, 2003). According to this theory, organizations do not all adopt a managerial innovation simultaneously but in an over-time sequence. The theory suggests that the adoption of an innovation follows an S-shaped curve over time. During the first years after the introduction of a managerial innovation only few companies adopt it each year. Then a critical mass of adopters is reached and the cumulative rate of adoption speeds up. The important point is that at this stage the wide adoption of the innovation does not take place due to its technical or managerial effectiveness, but due to pressures from other companies that have already adopted this innovation (Abrahamson, 1991).

### **Legitimacy theory**

3.2. Why companies maintain CSR as legitimacy for sustainable development: Legitimacy theory is based upon the notion that the firm activates a social contract, where it agrees to perform various socially desired actions in return for approval of its objectives, other rewards and its ultimate survival.

### **Social Contract Theory**

3.3. How the impact of CSR activities is useful to rural development: This theory combines organisational attention with stakeholder management. Much of the social contract is rooted in the traditions of society. The theory says that the social contract is formulated between people and organisations when exchanging something. Social contract theory focuses on the relationship between the business customers and stakeholders. The long-term economic benefits for organisations,

shareholders and other stakeholders arise from the contracts with them, which should balance the external and internal regulations of the corporations. Therefore, the stakeholder management approach of the corporation is grounded in the concept of the social contract.

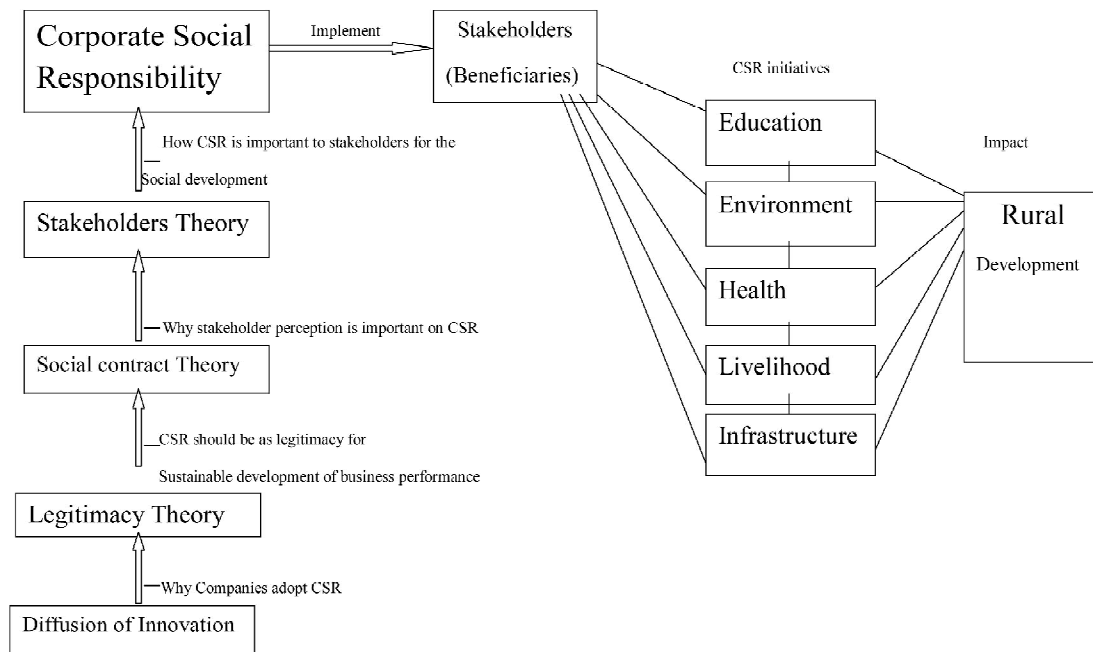
### **Stakeholder theory:**

Stakeholder theory is a theory of Organizations management and business ethics that deals with principles and values in managing an Organization (Freeman and Phillips 2002; 2003). According to this theory, stakeholders are Organization as the group of people interested in the company's activities (Freeman 1984; Friedman 2007). Below Table shows what stakeholders expect from their organizations.

### **Research Gap**

The review of literature on CSR revealed certain gaps in available knowledge. Thus, there is an uncertainty regarding the actual spread of CSR initiative, disagreement on the value of implementation of CSR, controversy over what CSR initiatives firms to investigate the actual policies and practices used when addressing their company's activities of CSR in the area of livelihood, education, environment, health and infrastructure responsibilities on rural areas (Dr. jitendar & sanjay, 2010)

## Theoretical framework of Corporate Social Responsibility and its impact on Rural Development



### Need for the Research

There is a need to address the CSR on Rural Development because many researchers and authors have tried to explain the CSR policies and strategies with their views. But most of the researches were relating to developed countries only because the companies voluntarily give all their CSR policies and implementations on their annual reports. And the top level management has also provided all the information to the researchers with respect to their research. Where as in the case of developing countries it is hard to gather the information from the companies. The companies have willing or not willing to give their CSR policies and implementation areas particularly in rural areas to the researchers. Developing countries like India has more need to address the CSR initiatives on Rural Development. Because the govt. of India has put an act (companies act 2003) on companies to support the development of CSR activities from their profits. In India many companies were followed CSR activities on Rural Development, companies are report to their

stakeholders about their CSR activities on rural areas by published on their Annual Reports. But most of the companies were not followed ethically reporting to their stakeholders viz, employees and beneficiaries. This makes a need to address the researcher to study on the beneficiaries' satisfaction level by the CSR activities on rural areas of their adopted companies or corporate.

### Research Objectives

- To Study and Understand the CSR concepts, theories and evolution on Rural Development.
- To Study and understanding the CSR initiatives being taken by the companies for Rural Development.
- To examine the corporate approach to work and mode of implementation for CSR initiatives on Rural Development.
- To examine the impact level of CSR actions and initiatives on Rural Development
- To understand beneficiaries' perception towards CSR on Rural Development.

- To find out the requirements of the CSR initiatives on Rural Development.

### Data Sources

The secondary data were drawn from research reports and journals from various institutions, books and through internet. The primary data relating to employees' perceptions to organisational changes were collected with the help of a questionnaire. The questionnaire was formulated based on earlier studies and modified as indicated from the results of the pilot study

### Target Population

The target population of this study was the top 10 companies from the investment point of view which are doing CSR activities in SPSR Nellore district rural areas. The companies' data is collected from the District Industries Centre (DIC) of SPSR Nellore district. The population is beneficiaries of ten villages of CSR companies in SPSR Nellore District.

### The Sampling Procedure

The sampling strategy used in this study was the proportionate stratified random sampling. In this study researcher used top 10 companies in SPSR Nellore district based on investment wise continuously from past three years (2012, 2013, 2014 & 2015).

Stratified random Strategies: Proportionate allocation uses a sampling fraction in each of the strata that is proportional to that of the total population. For instance, if the population consists of X total individuals, m of which are male and f female (and where  $m + f = X$ ), then the relative size of the two samples ( $x_1 = m/X$  males,  $x_2 = f/X$  females) should reflect this proportion.

### According to Neyman allocation sample size:

Proportionate Stratified Sampling Formula=  
 $nh = (Nh/N) * n$

Where  $nh$  = Sample size for stratum h,  $Nh$  = Population size for stratum

$N$  = Total population size,  $n$  = Total sample size

Stratified sampling ensures that at least one observation is picked from each of the strata, even if probability of it being selected is close to zero. Hence the statistical properties of the population may not be preserved if there are thin strata. A rule of thumb that is used to ensure this is that the population should consist of no more than six strata, but depending on special cases the rule can change - for example if there are 100 strata each with 1 million observations, it is perfectly fine to do a 10% stratified sampling on them.

**Sampling Design:** From the above mentioned stratified random sampling method, companies each company has at least of one village for implementing or adopting their CSR activities. Among those villages each village consists of 500 to 1000 beneficiaries. Among those beneficiaries the researcher has to select 50 beneficiaries from each village either males or females. Though the beneficiaries are sufficient for the study the researcher has to select 50 beneficiaries only cause of lack of accuracy, time and cost incurred to collect the data is expensive.

**Sample Size:** Geographical area or region = SPSR Nellore District of Andhra Pradesh.

Deliberate research or Convenience research selected Districts = SPSR Nellore district.

Number of villages selected in selected district = Ten\*.

\*(Each company is selected based on top position from investment amount to CSR activities through three annual successive reports).

Total number of villages selected stratified sampling = 10.

Number of villages selected from each company = One.

Total number of villages selected for sampling = 10 (10 companies \* 1 village).

Number of beneficiaries in each village = min 1000-1500 max.

Number of beneficiaries from each village for sampling analysis = 50 Beneficiaries.

Total number of beneficiaries selected for sample size = 500 (50 Beneficiaries \* 10 villages).

### Instrument development

The researcher used a background structured questionnaire and an adopted standardized scale (Likert's five points) in collecting data. The main drive of using the background questionnaire was to obtain awareness information of the respondents specifically on CSR thematic areas of environment, education, livelihood, health and infrastructure. This scale was adopted from research study prepared and used by Paramata Satyanarayana for his doctor of philosophy in the department of commerce at Andhra University to measure beneficiary awareness on CSR activities of selected organisations. The questionnaire contains 66 items. The perceptions of beneficiaries on CSR activities of companies are categorized subscales representing the following constructs of:

1. Demographic profile, 2. Awareness of beneficiaries about CSR 3. Perceptions of beneficiaries on company's activities on CSR 4. Thematic areas (CSR initiatives)

The main goal of adopting this scale was to understand how individual awareness of the respondents relating to CSR activities which is already discussed in the research gap based on the stakeholders theory whether the external stakeholders have an aware on CSR activities of companies. Companies are reaching their CSR information successfully or unsuccessfully to the

external stakeholders and are they doing or implementing CSR activities for rural development.

The statistical package for social science (spss, version 20) was used to analyze the data. The reliability test has been conducted to verify the internal consistency of the variables obtained in the sample. The cronbach's alpha is found to be 0.787 and all sub scales are above 0.700. Which are higher than the minimum acceptable level suggested by Nunally (1978). All questions are Close ended questions were used to prompt responses on the perceptions of employees towards organizational change.

### Limitations of the research

The concept of CSR is very difficult to focus on all the areas. It is very vast information contained and the information gather or identifying on the all areas of the CSR, around the world is very time consuming, expensive and availability of the resources are abundant. But the researcher has very few resources like time, cost of the research information and other expenses.

With reference to the above mentioned some of the identifying difficulties the researcher has to set some limitations with respect to the research. For the accuracy and reliability of the research the researcher has focus only on the particular geographical area only because there is a more difficulty to gather the information around the world. The companies may infinite in number which is followed CSR initiatives on Rural Development according to their Govt. rules and regulations of their respective nations. Not only in the world wide it is tough to gathered the information from the developing countries like India too. The reason is there are thousands of Indian Companies from Large to small in size which are followed CSR strategies on Rural Development.

### Data Interpretation:

Multiple Correlations between CSR initiatives and rural development:

Table No: 5.9.1. Shows that descriptive statistics between CSR initiatives and Rural development. The mean values of variables environment is 3.94 with a standard deviation of 0.503, education is 3.96 with a standard deviation of 0.553, health is with a mean of 4.09 at standard deviation of 0.483, followed by next initiative livelihood with a mean of 4.02 with standard deviation of 0.405, infrastructure initiative has a values with mean 4.22 and of standard deviation 0.403, the next initiative of special program for SC, ST is with a mean value of 4.03 at a standard deviation of 0.561, and the finally rural development with mean of 6.06 and with standard deviation of 0.546.

**Table No: 5.9.1: Descriptive Statistics of CSR initiatives and rural development**

Variables	Mean	Std. Deviation	N
Environment	3.94	.503	515
Education	3.96	.553	515
Health	4.09	.483	515
Livelihood	4.02	.405	515
Infrastructure	4.22	.403	515
Special programs for SC,ST	4.03	.561	515
Rural development	6.06	.546	515

The table no 5.9.2 shows the overall correlation among the CSR initiatives and rural development that in the five areas of environment, education, health, livelihood, infrastructure and special programs relating to SC, ST people. The correlation shows different results with respect to all the five areas. The correlation is as with following

**Areas:**

**Environment:**

**1. Environment- Education:** The correlation between environment and education is 0.26 which is a less positive correlation with a significance value of .000 at 0.05 level of

correlation significance which accepts the alter hypothesis.

**2. Environment- Health:** The correlation between environment and Health is 0.13 which is a very less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis.

**3. Environment- Livelihood:** The correlation between environment and Livelihood is 0.92 which is a less positive correlation with a significance value of .037 at 0.05 level of correlation significance which accepts the alter hypothesis.

**4. Environment- Infrastructure:** The correlation between environment and Infrastructure is 0.21 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.

**5. Environment- Special programs of SC, ST people:** The correlation between environment and Special programs of SC, ST people is 0.62 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.

**6. Environment- Rural Development:** The correlation between environment and rural development is 0.62 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis

**Education:**

**1. Education- Environment:** The correlation between Education and Environment is 0.26 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.

- 2. Education- Health:** The correlation between Education and Health is 0.19 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
- 3. Education- Livelihood:** The correlation between Education and Livelihood is 0.92 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
- 4. Education- Infrastructure:** The correlation between Education and Infrastructure is 0.21 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
- 5. Education- Special programs of SC, ST:** The correlation between Education and Special programs of SC, ST is 0.38 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
- 6. Education- Rural Development:** The correlation between Education and Rural Development is 0.54 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.

Table No: 5.9.2 Multiple Correlations between CSR initiatives and rural development								
Variables		Environment	Education	health	livelihood	Infrastructure	Special Programs for SC,ST	Rural development
Environment	Pearson Correlation	1	.260**	.130**	.093*	.170**	.626**	.677**
	Sig. (2-tailed)		.000	.003	.035	.000	.000	.000
	N	515	515	515	515	515	515	515
Education	Pearson Correlation	.260**	1	.199**	.092*	.218**	.384**	.540**
	Sig. (2-tailed)	.000		.000	.037	.000	.000	.000
	N	515	515	515	515	515	515	515
Health	Pearson Correlation	.130**	.199**	1	.182**	.137**	.240**	.404**
	Sig. (2-tailed)	.003	.000		.000	.002	.000	.000
	N	515	515	515	515	515	515	515
Livelihood	Pearson Correlation	.093*	.092*	.182**	1	.168**	.196**	.336**
	Sig. (2-tailed)	.035	.037	.000		.000	.000	.000
	N	515	515	515	515	515	515	515
Infrastructure	Pearson Correlation	.170**	.218**	.137**	.168**	1	.336**	.457**
	Sig. (2-tailed)	.000	.000	.002	.000		.000	.000
	N	515	515	515	515	515	515	515
Special Programs for SC,ST	Pearson Correlation	.626**	.384**	.240**	.196**	.336**	1	.946**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	515	515	515	515	515	515	515
Rural development	Pearson Correlation	.677**	.540**	.404**	.336**	.457**	.946**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	515	515	515	515	515	515	515
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								



### Health:

1. **Health- Environment:** The correlation between Health and Environment is 0.13 which is a less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis.
2. **Health- Education:** The correlation between Health and Education is 0.19 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
3. **Health- Livelihood:** The correlation between Health and Livelihood is 0.18 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
4. **Health- Infrastructure:** The correlation between Health and Infrastructure is 0.13 which is a less positive correlation with a significance value of .002 at 0.05 level of correlation significance which accepts the alter hypothesis.
5. **Health-Special programs of SC, ST:** The correlation between Health and Special programs of SC, ST is 0.24 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.
6. **Health- Rural development:** The correlation between Health and Rural development is 0.40 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis.

### Livelihood:

1. **Livelihood- Environment:** The correlation between Livelihood and Environment is 0.09 which is a less positive correlation with a significance value of .035 at 0.05 level of correlation significance which accepts the alter hypothesis

2. **Livelihood- Education:** The correlation between Livelihood and Education is 0.092 which is a less positive correlation with a significance value of .037 at 0.05 level of correlation significance which accepts the alter hypothesis
3. **Livelihood- Health:** The correlation between Livelihood and Health is 0.18 which is a less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis
4. **Livelihood- Infrastructure:** The correlation between Livelihood and Infrastructure is 0.16 which is a less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis
5. **Livelihood- Special programs of SC,ST people:** Livelihood and Special programs of SC,ST people is 0.19 which is a less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis
6. **Livelihood- Rural development:** The correlation between Livelihood and Rural development is 0.33 which is a less positive correlation with a significance value of .003 at 0.05 level of correlation significance which accepts the alter hypothesis

### Infrastructure:

1. **Infrastructure- Environment:** The correlation between Infrastructure and Environment is 0.17 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
2. **Infrastructure- Education:** The correlation between Infrastructure and Education is 0.21 which is a less positive correlation with a significance value of .000 at 0.05 level of

- correlation significance which accepts the alter hypothesis
3. **Infrastructure- Health:** The correlation between Infrastructure and Health is 0.13 which is a less positive correlation with a significance value of .002 at 0.05 level of correlation significance which accepts the alter hypothesis
  4. **Infrastructure- Livelihood:** The correlation between Infrastructure and Livelihood is 0.16 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
  5. **Infrastructure- Special programs of SC,ST:** The correlation between Infrastructure and Special programs of SC,ST is 0.33 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
  6. **Livelihood- Rural development:** The correlation between Livelihood and Rural development is 0.45 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis

#### **Special programs of SC, ST:**

1. **Special programs of SC, ST- Environment:** The correlation between Special programs of SC, ST- Environment is 0.62 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
2. **Special programs of SC, ST- Education:** The correlation between Special programs of SC, ST- Education is 0.38 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis

3. **Special programs of SC, ST- Health:** The correlation between Special programs of SC, ST- Health is 0.24 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
4. **Special programs of SC, ST- Livelihood:** The correlation between Special programs of SC, ST- Livelihood is 0.19 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis
5. **Special programs of SC, ST- Infrastructure:** The correlation between Special programs of SC, ST- Infrastructure is 0.94 which is a less positive correlation with a significance value of .000 at 0.05 level of correlation significance which accepts the alter hypothesis

#### **Conclusion:**

The purpose of this research was to address gaps identified in the literature regarding the implementation of CSR at the social level and the initiatives that influence this implementation. The study has established that current theorizing fails to provide satisfactory guidance to the topic as the relevant literature suffers from three significant shortcomings. First, there is controversy over the actual spread of CSR practices; second, there is dissent regarding the awareness of beneficiaries on implementing process of CSR in rural areas; and third, there is how CSR is effective on thematic areas of livelihood, education, environment, health and infrastructure. Importantly, many of the different views on CSR are not substantiated by grass root analysis, as the discourse on the topic evolves mainly in the conceptual domain. The awareness of the beneficiaries about the company CSR activities. Majority of the respondents were moderately familiar with the awareness of company having CSR structure with a percentage of 32%. CSR initiatives had known by equally responding

the percentage of the respondents with a percent of 31.7 responding moderately familiar. that respondents are extremely familiar with a percentage of 39.6 about the awareness relating to sponsored company give regular financial support to their rural areas. That respondents are moderately familiar with a percentage of 38.4 about the communicate the companies CSR values to customers to their rural areas. Company make an assessment of impact of CSR had known by responding the percentage of the respondents with a percent of 43.1 responding moderately familiar and extremely familiar. Awareness of the beneficiaries about the Company studies the impact of its CSR activities. Majority of the respondents were extremely familiar with the awareness of company having CSR structure with a percentage of 51.1%. Multiple correlation analysis shows the relation between the CSR thematic areas of education, health, environment, livelihood, infrastructure and special programs on SC, ST on

rural development is positive but it related to high to low correlation. The variables within and between is effect if one raises and another got down. As a result the effect of corporate social responsibility on rural development is positive.

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