

# A Study on the Effectiveness of Corporate Social Responsibility (CSR) Activities in Promoting Social Welfare in Ahilyanagar City

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## Abstract:

This study evaluates the effectiveness of CSR in Ahilyanagar City, Maharashtra, which is a semi-urban industrial center with diverse types of CSR initiatives being implemented in various sectors (education, health care, livelihood, environmental sustainability).

Research for this study was undertaken using primary data collected from 105 samples. The researches employed descriptive or analytical methods such as percentage analysis mean score averages and weighted average ranking. The effectiveness of CSR initiatives was evaluated using Z-testing for one population proportion testing to determine if they improved respondents' quality of life and to assess recipients' perceptions of the effectiveness of CSR initiatives above 50%.

The results of this study indicate that CSR activities provided statistically significant improvement in quality of life to the respondents. In addition, beneficiaries perceive CSR activities to be effective at a level greater than 50%. However, limited outreach for providing CSR services to rural areas and the short-term focus of CSR programs were identified as challenges in CSR delivery. The study contributes empirical evidence that can assist other researchers/workers with assessment of CSR program effectiveness, by providing a replicable framework for conducting assessments of CSR initiatives at a local level.

**Keywords:** Corporate Social Responsibility (CSR), Social Welfare, Beneficiary Perception, Quality of Life, Ahilyanagar, Section 135 Companies Act 2013, Social Indicators.

## 1. INTRODUCTION

The contribution of businesses to sustainable development through Corporate Social Responsibility is the focus of Corporate Social Responsibility (CSR) Programs. Businesses in India have seen an increase in their CSR activities since the Companies Act was amended to include CSR measures. The Company Act of 2013 has spurred many has grown and made a lot of investments into social sector project.

Maharashtra is home to the manufacturing industries, and it has been found to have one of the highest levels of CSR spending in India. Thus, Maharashtra provides an optimum setting to evaluate and determine the effectiveness of various initiatives related to CSR.

Ahilyanagar City (formerly Ahmednagar) an industrial and commercial hub, houses numerous leading manufacturers to pharmaceutical companies to sugar cooperatives whether they have been established as operators of the many CSR programs that are mandated under the Companies Act. Local residents of Ahilyanagar City and surrounding localities are experiencing positive outcomes due to various sources of CSR interventions including those found in education, health care, skilling programs and rural infrastructure etc. However, there are no structured evidence-based assessment methods to determine the true and actual impact of CSR initiatives on beneficiaries.

Through an organized primary survey method, this document intends to bridge the current documented gap in evidence to develop an understanding that can be utilized to create a basis for action. The goal of this document will be to evaluate the positive contribution of CSR programs on urban social indicators and through the use of the Z-test for a single proportion, check the results of hypothesis development and testing regarding the effectiveness of CSR.

## 2. REVIEW OF LITERATURE

The theoretical foundations of CSR trace back to Howard Bowen's seminal work (1953), which defined CSR as the obligation of businessmen to pursue those policies and make those decisions desirable in terms of the objectives and values of society. Subsequent scholars including Carroll (1979) articulated a four-part model comprising economic, legal, ethical, and philanthropic responsibilities, which remains widely cited.

In the Indian context, Mishra and Suar (2010) found that proactive CSR practices were positively correlated with firm performance and stakeholder satisfaction. Balasubramanian, Kimber, and Siemensma (2005) noted that Indian CSR has been historically rooted in philanthropy and community development, influenced by Gandhian trusteeship principles. Post the Companies Act amendment, studies by Mukherjee and Bhattacharya (2016) documented a shift toward structured programming, though with concerns over tick-box compliance.

Studies specifically examining the social impact of CSR are relatively fewer in the Indian context. Godfrey (2005) argued that CSR generates moral capital which insulates firms from negative stakeholder actions but does not always directly translate to beneficiary welfare. Agrawal (2018) studied CSR in Maharashtra and found that while expenditure levels were high, outcome measurement remained weak. Singh and Verma (2020) emphasized the need for beneficiary-centric evaluation approaches that capture perceived quality-of-life changes rather than only input or expenditure metrics.

The present study builds on this literature by adopting a beneficiary-centric approach and employing inferential statistics to provide a more rigorous assessment than most existing descriptive studies.

## 3. OBJECTIVES AND RESEARCH HYPOTHESES

### 3.1 Objectives

1. To study the nature and different kinds of CSR activities being executed in Ahilyanagar City.
2. To analyze the contributions of CSR towards improving social indicators (such as education, health, and livelihood).
3. To analyze beneficiaries' perception regarding the impact of CSR initiatives on their quality of life.

### 3.2 Research Hypotheses

1.  $H_0$ : The percentage of beneficiaries showing improvement in quality of life with CSR activities in Ahilyanagar City is 50%.  
 $H_1$ : The proportion of beneficiaries reporting improvement in quality of life due to CSR activities in Ahilyanagar City is more than 50%.
2.  $H_0$ : The percentage of beneficiaries who perceive CSR activities as effective is 50%.  
 $H_1$ : The percentage of beneficiaries who perceive CSR activities as effective is more than 50%.

## 4. RESEARCH METHODOLOGY

**4.1 Research Design:** An analytical and descriptive research design is used in this study. A structured questionnaire was used to gather primary data from recipients of CSR initiatives in Ahilyanagar City.

**4.2 Sample Size and Sampling Technique:** Convenience sampling was used to choose a sample of 105 beneficiaries from Ahilyanagar City which are known to have ongoing CSR initiatives. Beneficiaries of healthcare, education, and livelihood-related CSR programs made up the sample.

**4.3 Data Collection:** Primary data were collected during October–November 2025 through personal interview method using the questionnaire probe divided into four sections (i) socio demographic profile (ii) nature of CSR activities received (iii) perceived influence on social indicators on a scale of five points using Likert rating system and (iv) included general perceptions of quality of life change and CSR effectiveness, as the two main binary questions related to the research hypotheses. Secondary data were gathered from Annual Reports of companies, published CSR impact reports.

**4.4 Tools of Analysis:** Simple statistical tools including frequency tables, percentage analysis, and weighted average scores were used for descriptive analysis. For hypothesis testing, the Z-test for a single population proportion was employed, which is appropriate when  $n \geq 30$  and the outcome is binary (improvement/no improvement; effective/not effective).

$$Z = (\hat{p} - p_0) / \sqrt{[p_0 (1 - p_0) / n]}$$

Where:  $\hat{p}$  = sample proportion,  $p_0$  = hypothesized proportion (0.50),  $n$  = sample size (105). Level of significance is  $\alpha = 0.05$  (one-tailed, right-tailed test). Critical value:  $Z_{0.05} = 1.645$ .

## 5. DATA ANALYSIS AND INTERPRETATION

### 5.1 Socio-Demographic Profile of Respondents

The study sample consisted of respondents with diverse socio-economic backgrounds. Over half of those respondents were men (55.24%) with the highest response rates within the 31-45 age range (37.14%). Most respondents had secondary or higher secondary education (79.05%). Occupationally, significant proportions were engaged in small businesses and self-employment activities (32.38%).

### 5.2 Nature and Types of CSR Activities in Ahilyanagar City

**Table 1: Types of CSR Activities Experienced by Beneficiaries**

Sr.	Type of CSR Activity	No. of Beneficiaries	Percentage (%)
1	Healthcare (Medical camps, Mobile clinics, Maternal health)	78	74.29
2	Education (Scholarships, Infrastructure, Digital learning)	69	65.71
3	Skill Development and Livelihood (Vocational training, SHG support)	54	51.43
4	Sanitation and Drinking Water	47	44.76
5	Women Empowerment Programs	38	36.19
6	Environmental Sustainability (Plantation, Waste management)	31	29.52
7	Community Infrastructure (Roads, Community halls)	27	25.71

*Note: The respondents were able to benefit from various types of CSR activities; hence the total percentages exceed 100.*

### 5.3 Impact on Social Indicators – Education, Health, and Livelihood

Table 2 presents beneficiary responses on the perceived improvement in key social indicators attributed to CSR interventions, rated on a 5-point Likert scale. (1 = No Improvement to 5 = Significant Improvement).

**Table 2: Perceived Impact of CSR on Social Indicators**

Sr.	Social Indicator	Respondents Rating 4 or 5	Percentage (%)	Weighted Mean
1	Access to Education / School enrollment	71	67.62	3.82
2	Quality of Healthcare / Reduction in medical expenses	79	75.24	4.01
3	Income / Livelihood improvement	58	55.24	3.41
4	Sanitation and Hygiene awareness	64	60.95	3.68
5	Skill Enhancement and Employability	55	52.38	3.29
6	Women's empowerment and participation	49	46.67	3.14
7	Environmental awareness and clean surroundings	46	43.81	3.07

### 5.4 Overall Quality of Life Improvement

Beneficiaries were asked a direct binary question: Overall, do you perceive that CSR activities in this domain have enhanced your quality of life?

**Table 3: Beneficiaries Reporting Improvement in Quality of Life**

Response	No. of Beneficiaries	Percentage (%)
Yes – Quality of Life Improved	79	75.24
No – No significant improvement perceived	26	24.76
<b>Total</b>	<b>105</b>	<b>100.00</b>

Interpretation: 79 out of 105 beneficiaries (75.24%) reported an overall improvement in their quality of life, which is considerably above the null hypothesis threshold of 50%.

### 5.5 Perception of Effectiveness of CSR Activities

A second binary question asked beneficiaries: 'Do you perceive the CSR activities in your area to be effective in addressing your needs?' Table 5 presents the results.

**Table 4: Beneficiaries' Perception of CSR Effectiveness**

Response	No. of Beneficiaries	Percentage (%)
Yes – CSR activities are effective	83	79.05
No – CSR activities are not effective	22	20.95
<b>Total</b>	<b>105</b>	<b>100.00</b>

Interpretation: 83 out of 105 beneficiaries (79.05%) perceive CSR activities to be effective, again substantially exceeding the 50% null hypothesis baseline.

## 6. HYPOTHESIS TESTING USING Z-TEST FOR SINGLE PROPORTION

The Z-test for a single population proportion was applied at 5% level of significance with a one-tailed (right-tailed) test. The formula used is:  $Z = (\hat{p} - p_0) / \sqrt{[p_0 (1 - p_0) / n]}$

### 6.1 Hypothesis 1 – Quality of Life Improvement

H<sub>0</sub>: p = 0.50 (50% of beneficiaries show improvement in quality of life)

H<sub>1</sub>: p > 0.50 (more than 50% show improvement)

#### Z-Test Computation – Hypothesis 1

$$Z = (0.7524 - 0.50) / \sqrt{[0.50 (1 - 0.50) / 105]} \\ = 0.2524 / 0.0488, Z = 5.17$$

**Result:** As per Reject H<sub>0</sub> (Z computed > Z critical) the computed Z-value of 5.17 is significantly bigger than the critical value of 1.645 at 5% significance level. As a result, the null hypothesis is rejected. It is statistically concluded that greater than 50% of beneficiaries report an improvement in their quality of life due to CSR activities in Ahilyanagar City.

### 6.2 Hypothesis 2 – Perception of CSR Effectiveness

H<sub>0</sub>: p = 0.50 (50% of beneficiaries perceive CSR activities as effective)

H<sub>1</sub>: p > 0.50 (more than 50% perceive activities as effective)

#### Z-Test Computation– Hypothesis 2

$$Z = (0.7905 - 0.50) / \sqrt{[0.50 (1 - 0.50) / 105]} \\ = 0.2905 / 0.0488, Z = 5.95$$

**Result:** As per Reject H<sub>0</sub> (Z computed > Z critical) the computed Z-value of 5.95 greatly exceeds the critical value of 1.645. The null hypothesis is rejected. It is statistically concluded that a significantly higher proportion than 50% of beneficiaries perceive CSR activities in Ahilyanagar City as effective.

## 7. MAJOR FINDINGS

1. The most common CSR activities in Ahilyanagar City are healthcare (74.29%), followed by education (65.71%) and skill development (51.43%). This shows what big pharmaceutical and manufacturing companies in the area care about most.
2. The weighted mean score of the perceived social impact is maximum in the case of healthcare interventions (4.01 on a 5-point scale). This implies that they are directly seen to have an impact on the lives of the beneficiaries of the same.
3. There are livelihoods and skill development programs, the impacts of which are not as high as other programs (mean 3.41 and 3.29 respectively). This implies that it is difficult to sustain long run economic results.
4. 75.24 percent of the beneficiaries (79) revealed that CSR programs had improved their lives in general.
5. 79.05% of the respondents (83/105) are of the opinion that their needs are being addressed by CSR activities in their region.
6. The 5% level of significance shows that research hypotheses are false. The Z-test shows that the percentages of people who say they improved and thought CSR programs were effective are statistically expressively upper than 50%. This gives scientific proof that CSR programs work.
7. Programs that empower women and protect the environment have the least reach and perceived impact. Hence businesses need to give attention to these areas.
8. CSR activities are still mostly focused on areas with established industries. Ahilyanagar's peripheral and rural neighborhoods get fewer interventions.

## 8. RECOMMENDATIONS

**1. CSR that is not healthcare:** The score of livelihood (3.41) and skill development (3.29) is lower in impact and therefore the companies should focus on them and on women empowerment that currently have least coverage to have long-term economic sustainability of the beneficiaries.

**2. Ensure Geographic Equity:** CSR actions are focused around industrial areas and the rural and peripheral areas of Ahilyanagar are underserved. The geographic equity policy should be taken up by companies to ensure that a predetermined percentage of the CSR funds are reached out to these forgotten communities.

**3. Enhance Long-Term Impact Follow-Up:** Thirty-three percent of beneficiaries (75.24 of respondents) report that they have improved their lives, but the scores in skills and environmental programs are low, which suggests weak follow-up. Post- program tracking systems need to be adopted by companies as a measurement and reality of long term outcomes.

## 9. CONCLUSION

In this study, empirical evidence can be given that CSR activities in the process of implementation in the Ahilyanagar City are quite widespread in the context of social welfare promotion as understood by beneficiaries. The statistical analysis of the single proportions with the Z-test proves that the proportion of beneficiaries who improve the quality of life and perceive CSR initiatives as effective is above half with great accuracy of the confidence. The most effective ones are healthcare and education-related interventions of CSR, and livelihood programs should be reinforced in terms of long-term economic sustainability.

The research provides a continuation to the existing empirical research on CSR in Maharashtra, and it presents a replicable methodology of conducting CSR impact assessment in cities. The longitudinal study of the benefits obtained by the same group of beneficiaries could be used in further studies in order to determine the sustainability of the benefits, and may be applied to a sample that would be identified as a control group of non-beneficiaries, to provide causal personnel. With CSR becoming a strategic social investment, rather than a measure of compliance, the field based beneficiary research like this will be invaluable in enhancing the formulation, focus and responsibility of CSR activities in the fast industrializing cities of India.

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