

# CSR Communication through Annual Reports: To Whom, How Much and Why?

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## ABSTRACT

*Purpose:* The purpose of the paper is to understand the difference in the Corporate Social Responsibility (CSR) communication made by Indian and MNCs through the use of Annual Reports (ARs)

*Design/Methodology/Approach:* Annual reports of top 100 Information and Technology (IT) Companies operating in India bifurcated into Indian and Multinational Companies (MNCs) were analysed using content analysis and chi-square value was seen to gauge the difference in CSR communication vis-à-vis the stakeholders and their area of activity.

*Findings:* Indian and MNCs communicate their CSR differently to various stakeholders. Their focus of CSR activities for the same stakeholder also varies primarily because CSR communication is dependent upon the size, age, country of origin and composition of the board of the organization.

*Research Limitations/ implications:* The study is limited to the IT sector.

*Originality/ Value:* The paper brings out a clear picture of the CSR communication made by the IT sector, through the Annual Reports and best practices for CSR communication.

**Keywords:** Corporate Social Responsibility (CSR); Annual Reports, Information and Technology (IT) Sector.

## INTRODUCTION

Corporate Social Responsibility (CSR) in India as a business activity has begun to be understood as a part of business strategy to gain competitive edge apart from the implicit benefits it provides of giving back to society and therefore helping ensure a sustainable business environment leading to what is understood is strategic CSR. Strategic CSR entails an effective communication of responsible actions to the appropriate stakeholders such that desired positive response from the stakeholders can be achieved. The communication with stakeholders is becoming more essential because globalization has led to inflow of large Multinational Companies (MNCs) in India giving way to competition, sensitive and aware stakeholders including highly watchful media and conscious activists. Cornelissen (2004), highlights that in the current business scenario the prospects of any organization depends upon two fundamental factors – the way the business organization is viewed by its primary stakeholders such as shareholders, investors, customers and consumers, employees and immediate community

and the stakeholders belief of not being told the complete truth.

Balmer (2001) draws attention to the relevance of communication from a CSR perspective and its application and usability from a corporate standpoint. CSR communication is targeted at a variety of stakeholders and therefore communicated through both internal and external channels but what catches most attention and enjoys wide viewership is the external form of communication like websites, advertisements, annual reports, press releases, sustainability reports, road shows, camps etc.

With the presence of foreign based multinationals in India and India based companies turning multinational had led to competition enhancing the relevance of garnering positive perspective of stakeholders. The IT sector in India has a big presence of northern economy based MNCs and several Indian companies operating abroad creating a poignant situation for healthy and leveled competition and a fertile ground for CSR execution and communication. Organizations are exploiting the existing channels of communication and innovating new means as

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well. Annual Reports (ARs) remain a traditional medium of communication used for communicating both financial and non-financial information and enjoys high credibility. The current study will compare the CSR communication made through ARs by the Indian and the MNCs.

## LITERATURE REVIEW

### What is CSR?

CSR is a fluid term with varying definitions which have evolved over a period of time since the advent of industrialization to the integration of economies through globalization. Various researchers have attempted to explain CSR with a commonality about the impact of business activity over the society and therefore the role of corporations beyond economic and commercial activities. As Votaw (1973) put it, "...the term (social responsibility) is a brilliant one, it is something but not always the same thing, to everybody. To some it means socially responsible behavior in an ethical sense; to still others the meaning transmitted is that of 'responsible for' in a casual mode; many simply equate it with 'charitable contributions'; some take it to mean socially conscious or 'aware'; many of those who embrace it most fervently see it as a mere synonym for 'legitimacy', in the context of 'belonging' or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behavior on businessmen at large".

## DEFINITIONS OF CSR

### Reasons for Socially Responsible Behavior

Globalization is the key factor (Sriramesh et. al, 2007, Chambers, et. al, 2003) and resultantly multinational companies (MNCs) are the primary drivers of responsible corporate behavior (Commission of the European Communities, 2001). Most MNCs are based out of western economies where pressures on corporations to behave ethically is very high due to an enlightened and rights-conscious body of stakeholders like the customers, media, activists etc. Added information technology has led to increased transparent business operations leading to socially responsible corporations. Large corporations based out of Asian economies which aspire to venture into international business operations adopt CSR to be competitive and match the expectations of the global stakeholders (Khanna, 2004).

### CSR Communication – Aspects and Facets

CSR communication is used as a means to connect with the stakeholders of business to impact their understanding about the economic and institutional operating environment of the organization to facilitate an interaction with the stakeholders and help create a positive opinion and relationship (Bostdorff & Vibbert, 1994), build a framework for internal and external business behavior and gauge the

**Table 1:** Adopted from Nambudiri and Tewari, 2010

<i>Study</i>	<i>Definition</i>
Davis (1973: 313)	"...the firm's consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm. It is the firm's obligation to evaluate in it's decision making (...) to accomplish social benefits along with the traditional economic gains.."
McIntosh et al., (1998:20)	"Corporate citizenship is concerned with the relationship between companies and society – both the local community, which surrounds a business and whose members interact with its employees, and the wider and increasingly worldwide community, which touches every business through its products, supply chain, dealer network and its advertising among other things"
Wood (1991)	Institutional social responsibility, organizational social responsibility and individual social responsibility
Carroll (1979)	Economic, legal, ethical and philanthropic responsibility of businesses toward stakeholders
Sethi (1979)	Ethical, legal and social responsiveness dimensions
Maignan, et. al. (1999)	Economic citizenship referring to meeting customer needs; legal citizenship referring to operations within legal framework; ethical citizenship referring to following of established moral standards and discretionary citizenship referring to contribution to societal well being.

costs of non-conformity (Phillips, et.al, 2004) between the business and the stakeholders as Lammers & Barbour, (2006), put it CSR communication ‘serves to reproduce understanding and acceptance of the institution within society’. Communicating responsible deeds is a tight rope walk because organizations understanding of CSR arises from the context, environment (Nielsen & Thomsen, 2007), its image and inclination towards self preservation while it is equally based upon trust and values making it an ethical concept (Sharma and Talwar, 2005). It borders on and finds footing into several domains of organizational environments such as marketing and communication (Fill, 1995) and corporate image, identity and reputation management (Bernstein, 1984; Fombrun, 1996 and Balmer, 2001). Branding (Duncan and Moriarty, 1997) and public relations (Grunig and Repper, 1992) have also been associated with CSR communication. Since traditional channels of marketing communication like corporate advertising, public relation campaigns lack credibility (Schlegelmilch and Pollack, 2005) corporate have begun to use alternate mediums for CSR communication to achieve CSR goals and objectives.

### Annual Reports and CSR Communication

Corporate Annual Reports (CARs) are in the present times much beyond the compliance of legal declarations but are instead a highly ‘sophisticated product’ of a ‘competitive corporate environment’ (Stanton and Stanton; 2002) and the purpose of CARs is to consciously create a positive visibility and image of the organization than merely report the activities as ‘what they were’ (Hopwood, 1996). So, annual reports help in creating a picture of an organization and as Hines (1988) put it, “we create a picture of an organization ... and on the basis of that picture people think and act. And by responding to that picture of reality, they make it so”. Since CARs are an important tool of communication conveying the ‘personality and philosophy’ (Anderson and Imperia, 1992) of the organizations and as a means to construct the “visibility and meaning” of a company (Hopwood, 1996), they are used as a medium of CSR communication. Therefore corporate have begun to use ARs as a medium for CSR communication through publicly declaring details about the CSR – areas of focus, concerns and activities, achievements and awards, budgets and allocations of resources etc. The CSR communication in ARs falls under the category of social disclosures and is measured using

content analysis as this technique helps in bringing out the quantity and the nature of the disclosure (Holsti, 1969; Krippendorff, 1980). Content analysis has been defined as, “a technique for gathering data that consists of codifying qualitative information in anecdotal and literary form, into categories in order to derive quantitative scales of varying levels of complexity” (Abbott and Monsen, 1979) while Krippendorff (1980) elaborated and emphasised upon the reliability and validity aspect as well as he defined content analysis as ‘a research technique for making replicable and valid inferences from data to their context’. As a technique it has been rampantly used especially in measurement of CSR studies (Abbott and Monsen, 1979; Ernst and Ernst, 1978; Gray et al., 1995; Guthrie and Mathews, 1985; Zeghal and Ahmed, 1990; Williams and Pei, 1999). Units of analysis have been debated about and they range from words, phrases, characters, lines, sentences, pages or proportion of pages dedicated to various categories of social disclosure (Unerman, 2000).

National Association of Accountants (NAA, 1974; Clarkson, 1995; Adams, 2002; Murthy, 2008; Kapoor and Sandhu, 2010; Dagiliene, 2010) identified four broad heads of social disclosure under which factors of corporate social activity are covered systematically and the key stakeholders are identified and crucial areas of CSD are identified – community development, human resources, services and product contribution and environment contribution. (NAA, 1974). The World Business Council for Sustainable Development (WBCSD, 2002) has also identified human rights, employee rights, environmental protection and community involvement as the key components for CSD. A close understanding of the focus areas earmarked by world organizations for CSD indicates that human resource, community development, customers and environment are the key stakeholders which need to be addressed through the CSD.

### Stakeholders and CSR Communication

Socially responsible activities are understood as a ‘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’ (WBCSD, 1999) and therefore the target audience for CSR communication are the stakeholders towards whom the responsible activities are targeted. Big businesses are

under pressure from their stakeholder to act responsibly and communicate accordingly (O’Riordan & Fairbrass; 2008). Disclosure of environmental activity is largely focused upon the company’s environmental policy, its environmental protection actions like pollution control and participation in environmental programs (Zhang & Han, 2008) and is determined by the presence of the environmental activists, and the place of work (Deegan & Gordon, 1996), size, revenues and the industry of operation (Gray, et. al, 2003), developmental stage of the country (Smaliukiene, 2007). The broad heads under which environment related CSR activities are conducted fall into the following 11 categories: Climate Change, Green House, Zero – Waste, Material Balance, e-waste Management, Recycle, Carbon Credits, Carbon Footprints, Pollution, Reuse, Emissions, Green, Sustainability, Conservation, Environment and Energy.

Human Resource (HR) as a stakeholder has CSR activities aimed at a favourable work climate, employee health and care, reward system including motivation, training and employee participation in decision making (Murthy, 2008; Lanis & Waller, 2009; Zhang & Han, 2008; Kumpikaite, 2008; Snieska & Simkunaite, 2009). The company’s accounting system, female participation and gender composition of the board and the company’s participation of human rights play a vital role in determining the CSR activities and disclosure regarding HR in the ARs (Holder-Webb et al, 2009). Their HR related CSR activities can be clubbed into the following nine categories: General Describers (Terms like Labour, Workforce, Workgroup, Personnel, HR); Employee Benefits (Terms like Employee Welfare, Group Insurance Work Life Balance, Day Care, Telecommuting, Flexible Work Hours), Rewards & Recognition (Terms like Compensation, pay, salary) Training and Development; Health and Safety, Diversity Management (through terms like Universality, Inclusion, Equality, Multicultural); Attrition, Retention; Health and Safety and Other issues (Employee Engagement; Job Satisfaction, Team Work, Work Culture, Work Environment)

Community or society inclined responsible activities are targeted towards children and adult education, healthcare, improved conditions for disabled, skill enhancement for the youth. CSR communication also touches these issues and is bound by the organizational culture (Ubius & Alas, 2009), social capital structure (Macerinskiene & Vasiliauskaite,

2007). Community or Society related CSR activities fall under the following five categories: General Describers of the community or society (Terms like Marginalized community, disadvantaged); Community benefit schemes (Hospitals, Medical Health, education, schools for the community, vocational centres); Objective of the community related activity (Empowerment, Hygienic living); Impact of the CSR program (Terms like improved literacy, hospital beds, increased health awareness); Details of the facilitating agencies (Terms like NGO engagement; foundations; international funding agencies)

Customers as a stakeholder has gained importance and caught attention with growing competition and business has begun to focus upon product quality and innovation, product safety and consumption and customer choice and relationship. The five broad categories under which CSR communication is made to customers falls under the following heads: Promotion; Communication to Customers (Terms like Advertisement, Sponsorship); Product (Terms like High Quality Product, Safe Products, Consistent Quality, Researched Products, Innovative Products, Quality Assurance); Price (Terms like Affordability, Low price Products, Competitive Price); Place (Terms like On-time delivery, Global Availability, Local Availability, Accessibility) and Describers of Customer Interaction (Terms like Customer Satisfaction, Customer Delight, Customer-centric, Buyers)

Therefore, there are four broad categories of stakeholders for organizations – Environment, Human Resource (HR), society or community and customers and it is important for organizations to keep them in mind while communicating about their CSR activities as it can impact the organizations image positively or negatively (Murray and Vogel (1997) and in turn lead to an impact on financial performance, loyalty and engagement of the employees and customers.

- ◆  $H_0$ : The proportion of overall CSR disclosure through ARs belonging to four categories of stakeholders is the same in the Indian and the MNCs.
- ◆  $H_1$ : The proportion of overall CSR disclosure through ARs belonging to four categories of stakeholder is not the same in the Indian and the MNCs.
- ◆  $H_0 1$ : The proportion of overall HR disclosure belonging to nine categories is the same in the Indian and the MNCs.

- ◆ H<sub>1</sub>1: The proportion of overall HR disclosure belonging to nine categories is not the same in the Indian and the MNCs.
- ◆ H<sub>0</sub>2: The proportion of overall Customer disclosure belonging to five categories is the same in the Indian and the MNCs.
- ◆ H<sub>1</sub>2: The proportion of overall Customer disclosure belonging to five categories is not the same in the Indian and the MNCs.
- ◆ H<sub>0</sub>3: The proportion of overall Society disclosure belonging to five categories is the same in the Indian and the MNCs.
- ◆ H<sub>1</sub>3: The proportion of overall Society disclosure belonging to five categories is not the same in the Indian and the MNCs.
- ◆ H<sub>0</sub>4: The proportion of overall Environment disclosure belonging to fifteen categories is the same in the Indian and the MNCs.
- ◆ H<sub>1</sub>4: The proportion of overall Environment disclosure belonging to fifteen categories is not the same in the Indian and the MNCs.

## METHOD

### Data Source and Sample Selection

Names of IT companies were taken from DataQuest (2010), India's leading magazine for the IT sector which carries a list of top 100 IT companies operating in India. The websites of the companies were visited and their annual reports were downloaded. The companies were divided into Indian and MNCs based upon their country of origin and every company which was not headquartered in India was categorized as MNC. Of the total 61 Indian companies 39 had their ARs on the websites and of the 39 MNCs, 38 had their ARs on their websites. Final sample had 77 companies with nearly equal representation from Indian and MNCs. The ARs were found in the pdf format. 3 Indian annual reports could not be downloaded because they were password protected so their hard forms were scanned and converted into pdf for analysis.

### Technique for Annual Report Analysis

For the purpose of this study considering previous literature which upholds and defends the measurement

of communication volume through content analysis using words as a unit of measurement arguing that disclosure can be recorded in greater detail (Deegan and Gordon, 1996; ZeAghal and Ahmed, 1990 Deegan and Rankin, 1996), individual words were used as a unit of measurement.

The content analysis of the downloaded reports was made. The ARs were converted from the pdf format into 'plain text' format. These converted ARs were saved as 'Text Only with Line Breaks'. Each report once changed was manually checked to ensure clarity and correctness of data because conversions of pdf into plain text often results in repetitions, omissions or corruption of literature and it was made sure that each line was no longer 30 words which was comfortable to read. *Concordance* – content analysis software was used. The software employed 2 basic ways of analysis – through the selection or omission of particular words. Selection was used for the current study. The content analysis was done using the single word and phrases search. To cover the entire gamut of CSD a list of 220 words, encompassing the four stakeholders, was compiled using the literature and study of the annual reports. A pilot testing was done on 20 annual reports to understand and arrive at the exactness of the output of the software. A few words were dropped and edited. The final list comprised of 111 words.

*Single word analysis:* For a single word analysis a list of words which were to be picked was made. The method employed was Selective Concordance. It was important to take care that the Pick List consisted of one word per line. Care had been taken while putting the words because the software treats the upper and lower case separately. So words which were made from the same base were treated and entered as separate entities in the Pick List. Eg. employment, employer, employee etc.

*Phrases Search:* A Phrase search helped in selecting and making concordance which kept all instances of the phrases specified and rejecting all other words. Each phrases list could carry up to six phrases and each phrase had to be more than one word and could be up to five words long. The software carried a separate edit box for each of the five words and care had to be taken that not more than one word was entered into individual edit box. The phrases comprised of words like employee satisfaction, environmental protection, high quality products, free or subsidized education etc.

Further, Chi-square values to test homogeneity was done to understand the difference in the total CSR disclosure and the CSR disclosures made for each stakeholder.

## RESULT AND ANALYSIS

### Total CSR disclosure in ARs

Both Indian and the MNCs make CSR disclosure on all the four categories in their ARs. The total CSR disclosure made by the MNCs is higher than that made by the Indian companies but with the commonality that both MNCs and the Indian companies make maximum disclosure about the HR followed by customers, environment and society. High attention to HR regarding CSR has been found in other studies like Hackston and Milne, 1996; Amran, 2006; Haron et al., 2006; Murthy, 2008. The argument for HR being high on CSR activities is because the IT sector is dependent on highly skilled manpower of which there is a dearth as NASSCOM, 2009 report indicates that the Indian software industry directly employees more than 2.2 million and about 8 million people indirectly and there exists a high level of interdependence between the corporation and its primary stakeholder (Clarkson, 1995). A few examples of HR disclosures made in ARs are:

- ◆ ‘We value our employee’s contribution and participation immensely who in turn appreciate our efforts to provide holistic development and care.’(Infosys, 2010)
- ◆ ‘We welcomed more than 43,000 new employees ... and we invested nearly \$700 million in training to equip our people with the skills and capabilities needed to serve our clients.’(Accenture, 2010)

Customers are 2<sup>nd</sup> most addressed stakeholder because they are ‘soft assets’ (Robb et al., 2001) of an organization

and make up an important component of the intangible asset (Sveiby, 1997). The CSR disclosure pertaining to customers touches upon issues like understanding customers needs, discussion of the products and services offered and the benefits to the customers which is found by other researchers like Teoh and Thong, 1986. The customer interaction in the field of study involves a broad range from direct customer interaction in the form of business process outsourcing, knowledge process outsourcing to more indirect forms like software programming and data management.

A few examples of disclosures about customers are mentioned below:

- ◆ Our ability to grow aggressively during these years has demonstrated our ability to ... serve the immediate concerns of our customers. (Wipro, 2010.)
- ◆ Evolving customer demands have led to the increasing acceptance and use of offshore resources for higher value-added services. (Cognizant, 2010).

The MNCs focus upon customers is higher than that of the Indians because MNCs are headquartered in western economies where the customer group is highly aware and ‘rights-consciousness’ and the country of origin is a key determinant of the nature and extent of CSD (Adams, 1999; Adams et al., 1995, 1998; Adams and Kuasirikun, 2000; Andrew et al., 1989; Belkaoui and Karpik, 1989 Cowen et al., 1987; Guthrie and Parker, 1990; Lynn 1992; Nees and Mirza, 1991; Niskala and Pretes, 1995; Roberts, 1990, 1992; Trotman and Bradley, 1981; United Nations 1994, 1994; Nasscom, 2007). Added the host countries of most companies are market-driven economies where the customers enjoy immense power and there exists a positive relationship between the levels of social disclosure and stakeholder power (Roberts, 1992).

**Table 2:** CSR Disclosure by companies in ARs

<i>Categories</i>	<i>Indian</i>		<i>MNC</i>	
	Total No. of words	Percentage	Total No. of words	Percentage
Human Resource	3109	53.49%	3500	50.48%
Society	357	6.14%	661	9.53%
Environment	1046	18.00%	712	10.27%
Customer	1300	22.37%	2061	29.72%
Total	5812	100.00%	6934	100.00%

In disclosures regarding the environment, the performance of the Indian companies is better than that of the MNCs. The key reason for this is that most MNCs publish sustainability reports for disclosure about the environment and therefore the ARs are a less preferred mode of environment disclosure. Whereas amongst the ARs published by the Indian companies carried a separate head titled *environmental reporting*, *social disclosure*, or *sustainability reporting* and disclosures pertaining to environment were made in ARs under this head. Added communication about environment is low both amongst the Indian and the MNCs because the nature and extent of disclosure depends upon the industry type (Mathew, 1997; Gray, 2002 and Zakimi and Hamid, 2004) and since threats to the environment by the IT industry is relatively low the environment related disclosure is low. The manufacturing companies like chemical, cement, steel or petroleum based industry pay larger attention to environment as against the industries operating in the service sector (Deegan and Gordon, 1996).

A few examples of disclosures about environment are mentioned below:

- ◆ Even though the operations of your Company are not energy-intensive, adequate measures have been taken to reduce energy consumption by using efficient equipments. (Cranes Software Industries, 2010)
- ◆ The company's operations involve very low energy consumption and therefore the scope of energy conservation is limited. The company has taken steps to conserve electricity consumption in offices. (Accelfrontline Industries, 2010)

Health and prosperity and concerns about the welfare of the affected community is an important factor determining the business operations on account of which organizations adopt activities for the sustenance of a healthy community (European Communities, 2001). The Indian IT firms disclosure about society is very low and this is validated by the earlier findings as well (Raman, 2006) and the non-governmental organizations have a critical role to play in the disclosure of CSR (Tilt, 1994, 2004; Handy, 2001; Hendry, 2004; O'Dweyer et al. 2004).

A few examples of disclosures about community development / society are mentioned below:

- ◆ In partnership with Rebuilding Together®, more than 4,000 Honeywell volunteers have helped im-

prove living conditions for low-income, elderly and disabled individuals in more than 160 homes and community centers. (Honeywell, 2010).

- ◆ The alliance will help reduce the cost of computing in schools by 50 per cent from current levels, thus enabling schools across India's cities, towns and villages to offer computer education to its students at a reduced cost. (NIIT, 2010)

### Chi-Square Values of CSR Disclosures

The overall CSR disclosure made through ARs is different for the Indian companies and the MNCs because the focus of CSR disclosure for each stakeholder is different. For the HR the Indian companies focus on the remuneration and salary and therefore words like *salary rise*, *monetary benefits* find more occurrences in the Indian companies ARs while the MNCs lay stress upon the training and work-life balance policies and schemes. Words implying elements of work culture like *employee diversity*, *multiculturalism*, *equality* find more occurrences in MNCs ARs than in those of Indians. Similarly customers are the second important stakeholder for Indian and MNCs but the focus of the Indian companies is upon product price leading to more occurrences of words and phrases like *Affordability*, *Low price Products*, *Competitive Price*, while the MNCs lay more stress upon product quality and innovative product so *High Quality Product*, *Safe Products*, *Consistent Quality*, *Researched Products*, *Innovative Products*, *Quality Assurance* feature more in the MNC ARs. MNCs emphasis on society as a stakeholder is targeted more towards describing the CSR activities conducted for them like *medical-care*, *hospitals*, *empowerment* while the Indian companies ARs are focused more on describing the society or community like *disadvantaged sections*, *affected community* etc. The Indian ARs find more words about environment than the MNCs and therefore occurrence of words like *sustainability*, *pollution control*, and *environmental conservation* is more whereas *carbon footprints* and *carbon credits* feature more in the MNCs ARs.

### FINDINGS AND CONCLUSION

The communication regarding CSR made through the ARs by the Indian companies and the MNCs is different because though the industry is the same but other

**Table 3: Chi-square Results**

<i>Medium of Communication</i>	<i>Categories</i>	<i>Calculated Chi-square</i>	<i>p-value</i>	<i>df</i>	<i>Conclusion</i>
Annual Reports	Overall	252.8689894	<.001	3	There is a difference in the CSR communication made through Annual Reports(ARs) for HR, Customers, Society and Environment as the null hypothesis is rejected because the p- value is below .05
	HR	833.5155872	<.001	8	There is a difference in the CSR communication made for HR through Annual Reports (ARs) as the null hypothesis is rejected because the p- value is below .05.
	Customer	318.2216902	<.001	3	There is a difference in the CSR communication made for Customers through Annual Reports (ARs) as the null hypothesis is rejected because the p- value is below .05.
	Society	479.6636712	<.001	4	There is a difference in the CSR communication made for Society through Annual Reports (ARs) as the null hypothesis is rejected because the p- value is below .05.
	Environment	1758	<.001	14	There is a difference in the CSR communication made for Environment through Annual Reports (ARs) as the null hypothesis is rejected because the p- value is below .05.

factors which affect CSR disclosure differ for the Indian companies and the MNCs. The MNCs are based out of western economies where CSR as a business function is better established and the stakeholder expectation is also higher whereas except a few Indian companies which have operations abroad most Indian companies operate in India and therefore the CSR disclosure is limited and focused upon the fundamental areas of interest of the stakeholder. The size of the MNCs is also bigger than that of the Indians and there exists a positive relationship between the size of the company and its CSR disclosure. Further, the focus of the MNCs and Indian companies also varies for all the stakeholders validating the role of culture in CSR activities and communication (Tixier, 2003; Maignan and Ralston, 2002; Haniffa and Cooke, 2005).

### LIMITATION

The study is limited to the IT companies operating in India in 2010 and the CSR communication is limited to the external channels of communication used by the companies. The results therefore cannot be generalized for companies operating in other sectors and the IT companies operating in other countries. Since access to CSR communication made through internal channels was not available therefore conclusions are based only on CSR information disclosed through ARs.

### SCOPE OF FURTHER RESEARCH

Research pertaining to CSR is limited especially in the Indian context therefore the present study will contribute to understanding the nascent concept fully, specifically CSR communication related research is very inadequate and so conclusions from the current study can be used for further research in the field of CSR and communication research which could include websites, blogs, sustainability reports etc. Further, results of the current study could be further validated to gauge the relevance and importance of the various factors comprising the four stakeholders – HR, customers, society and environment.

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