

Web Disclosure of Corporate Social Responsibility: A Study of Indian Insurance Companies

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Abstract

Corporate Social Responsibility is a tool in the hands of companies to enhance the reputation in the eyes of society and government by spending some proportion of profit on various activities like education, health, employment, women empowerment, sports, rural development, etc. Companies communicate CSR information through various channels of communication viz. Annual reports, media, web site etc. The study focuses on the level of corporate social responsibility disclosure on the websites of 45 insurance companies including 22 life and 23 non-life insurance companies in India and also analyze the effect of different attributes namely size, liquidity, age, and profitability on corporate social responsibility web disclosure (CSRWD). The study found that level of CSRWD of insurance companies is low. Education, health, employment, and environment are highly concerned areas for CSR expenditure. Size is showing a significant relationship with web disclosure of corporate social responsibility in case of life insurance sector whereas in case of non life insurance sector, size and profitability are found to be good predictor of web disclosure of corporate responsibility.

Keywords: Corporate social responsibility, Insurance sector, web disclosure, Companies Act, 2013, Profitability.

Introduction

Business units are a capacious consumer of the natural resources and take a help from different parties of society to run their operations. In the reciprocal, it's the duty of business units to function in the favour of

the natural world as well the various parties of society. Such responsibility towards society and environment is popularly known as corporate social responsibility. Corporate social responsibility directs the business entities toward sustainable development and put the two different concepts i.e. social accountability and business profitability together. Corporate social responsibility is a very extensive concept that includes health, education, employment; donations, sports, rural developments, environment, women empowerment, government campaigns and other issues. No business can survive in a long period without their positive contribution to their related surroundings. CSR helps in many ways like it presents the positive image of business in the eyes of various parties, attracts the loyal and talented staff, long-term organization intensification, easily obtaining capital and customer withholding.

To make corporate sector socially responsible, MCA (Ministry of corporate affairs) introduced section 135(1), Companies Act, 2013, which came into effect on 1st April/2014. As per this section, if any company covers under the sphere of CSR provisions will have to spend 2% of average profit (of last 3 years) on CSR activities and will prepare CSR policy & CSR Committee. So, following companies have to follow these provisions-

- (I) Companies having net worth Rupee 500 crores or more, or
- (II) Companies having turnover Rupee 1000 crores or more, or
- (III) Companies having Net profit 5 crores or more

Schedule VII of companies Act, 2013 has specified areas for CSR expenditure which covered the ample range of

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activities for CSR expenditure. MCA has also introduced some provisions regarding CSR which are known as CSR (Corporate Social Responsibility) Rules, 2014.

This study has focused on CSR activities of the insurance sector. The insurance sector is the fastest growing sector. Life insurance business of India is ranked at 10th number among the 88 countries. Worldwide, Contribution of life insurance field is 55.3% whereas, the contribution of life insurance sector in India is 77.95% (Swiss Re, Sigma No. 3/2017). At present, there are 57 insurance companies in India including 24 life and 33 non-life insurance companies. The main objective of insurance companies is to provide protection against the sudden loss. Now, there are many insurance companies which are not only focusing the main business / objective but also on ethical, social and environment friendly activities simultaneously. As per rule 8 of (Corporate Social responsibility policy) Rules, 2014, it is prescribed for entitled companies to present CSR activities in the annual report as per approved annexure and as per rule 9, companies will also present that CSR report on their websites too.

Need of the Study

There are various modes through which companies communicate their CSR actions i.e. annual reports, social media, web site, etc. The earlier popular mode was annual reports only but with the advancement of technology and digitisation, companies are also presenting CSR information on their websites too. Now, Web disclosure mode is getting more popularity over the period because of its more rapid and vast communication network. Many studies on CSR disclosure had checked only the annual reports for disclosure, no other modes of CSR disclosure considered (Waller & Lanis, 2009; Khan, Halabi, & Samy, 2009; Gamerschlag, Möller, & Verbeeten, 2011; Deegan & Rankin, 1997; Kansal, Joshi, & Batra, 2014; Trireksani & Djajadikerta, 2016; Ahmad, Rashid, & Gow, 2017) which seems not to present true pictures of companies' contribution in CSR activities because some companies simply provide CSR information on web pages only, not present CSR information as per annexure in their annual reports. There are also some studies on CSR of Indian insurance companies which have concentrated on just few insurance companies (Gangaaiah, 2015; Malik, 2015; Kavitha & Anuradha, 2016; Vyas & Mthur, 2016). This study focused on all insurance companies for

CSR disclosure and checked the web sites of insurance companies for this purpose.

Literature Review

Djajadikerta and Trireksani (2012) studied extent of web disclosure on environment and social issues by Indonesian listed companies. The study revealed that web disclosure of Indonesian companies was near to ground and no major difference found between sensitive and non-sensitive industries' disclosure on corporate web disclosure. Esrock and Leichty (1998) examined the linkage between web disclosure on corporate social responsibility & image building and also checked the usage of information in formulation of public policy, provided by general public on the websites of the Fortune 500 companies. The study found that approximate 82% companies had CSR disclosure on their websites and only 27% companies used online public information in the public policy formation. The study also found that size of companies was positively related and ranks of companies were unrelated to CSR web disclosure.

Chaudhri and Wang (2007) observed level and type of CSR disclosure by top 100 Indian IT (information technology) companies on their websites. The study found that there were very few companies who had disclosed CSR information on their websites and not gave importance to CSR web communication. It also disclosed that the format of disclosure was not so efficient. Wanderley, Lucian, Farache, and de Sousa Filho (2008) examined the impact of country's origin and industry sector on CSR information on websites. Study considered 127 corporations from emerging countries i.e. Indonesia, South Africa, China, Chile, Brazil, Mexico, Thailand and Brazil. The study revealed country's origin and industry sector had momentous effect on CSR disclosure on websites but country' origin had vigorous effect than industry type. Chambers, Chapple, Moon, and Sullivan (2003) studied the CSR web disclosure by top 50 companies in seven countries named Thailand, Malaysia, Singapore, India, Indonesia, South Korea and The Philippines. The study found that CSR disclosure in Asian counties comparatively less than west countries and accepted that globalisation was the force to bring new CSR developments.

Chong, Ali, and Lodhia (2016) introduced model to gauge importance of corporate social responsibility on websites

of 65 largest companies listed on New Zealand Exchange (NZX). The study observed that 81.5% companies communicated CSR information through websites and also made innovation in location and broadcast media to increase accessibility of CSR disclosure. The study also found that “sensitive industry” provided more user-friendly and improvements in CSR disclosures than “less sensitive industry” on their websites. Vilar and Simao (2015) observed the corporate social responsibility (CSR) practices of banks in 11 regions namely South Asia, Europe, Eastern Asia, Sub-Saharan Africa, North Africa, Central and South America, South East Asia, North America, Former USSR, Middle East and Oceania. The sample included 10 banks from each region. The study confirmed that the area where bank operates had significant effect CSR disclosure. The American, European, and Oceania bank had more CSR web disclosure.

Research Methodology

The sample of the study included 45 insurance companies consisting of 22 life and 23 non-life insurance companies.

There are 57 insurance companies which are operating in India. However, 45 insurance companies are included in the study as 2 life and 10 non-life insurance companies are not involved into CSR activities because 8 companies (2 life & 6 non-life) are suffering from losses while 4 non-life insurance companies are recently registered. So, these companies are excluded from the sample and study focused on the rest 45 companies. The study is based on secondary data. The data regarding CSR disclosure is collected from annual reports, CSR annual reports, and quarterly reports for the financial year 2016-2017 available on the web site of insurance companies. The attributes selected for the study are size, profitability and age and liquidity on the basis of literature available (Garg & Gakhar, 2010; Singh, 2009; Kaur, 2012; Almajali, Alamro, & Al-Soub, 2012; Charumathi, 2012; Bawa & Chatta, 2013; Sambasivam & Ayele, 2013; Jain, 2013; Burca & Batrinca, 2014; Dey et al., 2015; Mwangi & Murigu, 2015; Andrew, 2015). The table 1 showing the variables and statistics measurement to be used.

Tables 1: Attributes of the Study

| Attributes | Measurement | Formulae |
|---------------|---------------------|---|
| Size | Total assets | Fixed assets+ current Assets |
| Profitability | Net Retention Ratio | Net written premium/gross direct premium |
| Age | Years | Number of years completed since the establishment |
| Liquidity | Current Ratio | Current assets/current liability |

Source: Literature Review

Data has been collected from the websites of companies during 25th December/ 2017 to 15th January/ 2018. Statistics tests percentage, standard competition ranking, descriptive statistics, and multivariate regression and Mann-Whitney U-test are applied. Content analysis has been also used to know the extent of CSR disclosure on websites of insurance companies. Weighted scores are assigned on the basis of the 0-3 rating scale and maximum possible score company can obtain is 54 (17*3 plus 3*1). The total CSRWD score is obtained by insurance companies is calculated by using the following formula:

$$\text{CSRWD score (w)} = \sum_{i=1}^n wdi$$

Where: CSRWD represents corporate social responsibility web disclosure score (weighted)

- wd_i 0 score for no CSR web disclosure
- wd_i 1 score for Qualitative CSR web disclosure
- wd_i 2 score for Quantitative & qualitative CSR web disclosure
- wd_i 3 score if Quantitative & qualitative CSR web disclosure as per CSR Provisions and rules
- i the maximum number of items expected to disclose (20 items)

Corporate social responsibility web disclosure (CSRWB) of insurance companies’ index is prepared as per prescribed guidelines of section 135 and schedule VII of companies Act, 2013. Annexure of CSR web disclosure is attached at the end of the paper.

Average net profit (after tax) of last three years and a net profit of current year have been studied in relation CSR activities. Average net profit is computed as per section 198 of companies Act, 2013 for those companies who didn't give average profitability information on their websites. Following regression models are developed to understand the effect of different attributes on CSR Web disclosure. In regression models, distributions of total assets and age are found highly skewed. So, the natural log has been taken for these independent variables (Kansal et al., 2014).

Model 1: $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \varepsilon$

Model 2: $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 CR + \varepsilon$

Model 3: $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 CR + \beta_3 \log \text{ of Age} + \varepsilon$

Model 4: $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 CR + \beta_3 \log \text{ of Age} + \beta_4 NRR + \varepsilon$

(Log of TA = the log of Total assets, CR = the Current Ratio, NRR = the Net Retention Ratio, ε = the error term)

Objectives

- To investigate the level of CSR web disclosure of life and non-life insurance companies in India.

- To check the significant difference in CSR web disclosure of Life and Non-life insurance companies.
- To test the effect of size, liquidity, age, and profitability on CSR web disclosure.

Analysis and Results

Level of CSR Web Disclosure of Life and Non-Life Insurance Companies

Table 2 and table 3 depict the net profit of current year (2016-2017) and average net profit of proceeding three years of life insurance companies, 2% of average net profit, the extent of the amount spent on CSR activities, web disclosure score, percentage and ranks as per CSR web disclosure. It clearly presents the relationship between the profitability and amount spent on CSR activities & CSR reporting. Tables are segregated into two parts viz.

- Companies with profitability more than 5 crores.
- Companies with profitability less than 5 crores.

Table 2 Profitability Positions of Companies, CSR Web Disclosure Score, and Ranks of Life Insurance Companies

| <i>a. Companies having current year's profits more than Rs. 5 crores</i> | | | | | | | | |
|--|-----------------------|-----------------|-----------------------|----------------------|---------------------|-----------------------|--------------------|--------------|
| <i>Sr. No</i> | <i>Life companies</i> | <i>AVG PRFT</i> | <i>Current profit</i> | <i>2% net profit</i> | <i>Amount spent</i> | <i>CSRWB (scores)</i> | <i>%(score/54)</i> | <i>Ranks</i> |
| 1. | HDFC Standard | 543.65 | 892.13 | 10.87 | 10.87 | 30.00 | 55.56 | 1 |
| 2. | Bajaj Allianz | 1144.00 | 836.26 | 22.88 | 22.88 | 27.00 | 50.00 | 2 |
| 3. | SBI | 628.70 | 954.65 | 12.58 | 12.58 | 27.00 | 50.00 | 2 |
| 4. | Star Union Dai-ichi | -3.68 | 54.83 | 1 | 0.9078 | 27.00 | 50.00 | 2 |
| 5. | Kotak Mahindra | 191.38 | 303.27 | 3.38 | 1.25 | 24.00 | 44.44 | 5 |
| 6. | Max | 497.20 | 659.93 | 9.94 | 9.84 | 24.00 | 44.44 | 5 |
| 7. | ICICI Prudential | 1086.96 | 1681.66 | 21.74 | 21.74 | 21.00 | 38.89 | 7 |
| 8. | IDBI Federal | 82.13 | 52.06 | 1.6426 | 1.64 | 21.00 | 38.89 | 7 |
| 9. | Canara HSBC OBC | 98.79 | 111.27 | 1.98 | 1.98 | 21.00 | 38.89 | 7 |
| 10. | PNB Metlife | 103.00 | 638.71 | 2.05 | 1.33 | 21.00 | 38.89 | 7 |
| 11. | Aditya Birla Sun | 265.39 | 122.82 | 5.31 | 3.31 | 18.00 | 33.33 | 11 |
| 12. | *LIC | 2010.52 | 2231.74 | * | * | 10.00 | 18.52 | 12 |
| 13. | Tata AIA | 265.05 | 113.48 | NA | NA | 9.00 | 16.67 | 13 |
| 14. | Exide | 69.02 | 112.51 | NA | NA | 7.00 | 12.96 | 14 |
| 15. | India First | -3.62 | 35.17 | NA | NA | 4.00 | 7.41 | 15 |

| <i>a. Companies having current year's profits more than Rs. 5 crores</i> | | | | | | | | |
|--|-----------------------|-----------------|-----------------------|----------------------|---------------------|-----------------------|--------------------|--------------|
| <i>Sr. No</i> | <i>Life companies</i> | <i>AVG PRFT</i> | <i>Current profit</i> | <i>2% net profit</i> | <i>Amount spent</i> | <i>CSRWB (scores)</i> | <i>%(score/54)</i> | <i>Ranks</i> |
| 16 | DHFL Pramerica | 30.58 | 61.35 | NA | NA | 2.00 | 3.70 | 16 |
| 17 | Shriram | 61.39 | 16.80 | NA | NA | 2.00 | 3.70 | 16 |
| <i>b. Companies having current year's profits less than Rs. 5 crores</i> | | | | | | | | |
| <i>Cont.</i> | <i>Life companies</i> | <i>AVG PRFT</i> | <i>Current profit</i> | <i>2% net profit</i> | <i>Amount spent</i> | <i>CSRWB (Score)</i> | <i>%(score/54)</i> | <i>Ranks</i> |
| 18. | Reliance Nippo | 98.93 | -61.13 | 1.97 | 1.97 | 18.00 | 33.33 | 1 |
| 19. | Future General | -25.11 | -87.01 | NA | NA | 3.00 | 5.56 | 2 |
| 20. | Aviva | 37.14 | -37.00 | NA | NA | 3.00 | 5.56 | 2 |
| 21. | Edelweiss Tokio | -98.35 | -215.83 | NA | NA | 2.00 | 3.70 | 4 |
| 22. | Sahara India | 1.28 | -9.67 | NA | NA | 1.00 | 1.85 | 5 |

Source: IRDAI Website

*highest profitable company

First part of table 2 shows that current year profits of all companies are more than 5 crores and their contribution towards CSR activities. First eleven companies get higher web disclosure score as these companies prepared CSR policy, CSR committee and spent 2% of average profit on CSR activities as per section 135. *Life insurance corporation of India is the highest profitable (2010.52 crore) company in life insurance sector and also allocated 160 crores toward CSR activities during 2016-2017. Still, this company is ranked at the 12th number for CSR contribution because this company has not provided any information regarding CSR policy & committee on their website and also not communicate CSR information in prescribed format through annual reports, just simply disclosed the CSR areas where they are contributing and total amount allocated in the budget. All those companies who have spent less amounts on CSR activities than budgeted amount have specified the reasons that projects for CSR are long terms so, not able to spent whole amount in current year.

In the rest 5 companies, first three companies namely Tata AIA, Exide, India First have prepared CSR policy, CSR committee and also simply disclosed CSR activities at which they have spent the amount but not presented as per CSR provisions. The preceding two companies viz. DHFL Pramerica and Shriram have just prepared CSR policy and CSR committee.

Second part of table 2 presents all those companies which profitability less 5 crores but still they are contributing toward CSR activities and revealing such information on the websites of companies but not as per CSR provisions. Reliance Nippon Life Insurance is currently suffering from 67.13 crore loss still contributed 1.97 crores towards CSR activities and also followed all CSR provisions. Last 4 companies formulated CSR committee and CSR policy except for Sahara India who has just presented CSR policy on the website while two companies that are Aviva and Future Generali India have also disclosed their CSR activities simply on website.

Table 3 Profitability Positions of Companies, CSR Web Disclosure Score, and Ranks of Non-life Insurance Companies

| <i>a. Companies having current year's profits more than Rs. 5 crores</i> | | | | | | | | |
|--|---------------------------|-----------------|-----------------------|----------------------|---------------------|----------------------|--------------------|--------------|
| <i>Sr.No</i> | <i>NON-LIFE Companies</i> | <i>AVG PRFT</i> | <i>Current Profit</i> | <i>2% Net Profit</i> | <i>Amount Spent</i> | <i>CSRWD (Score)</i> | <i>%(Score/54)</i> | <i>Ranks</i> |
| 1. | IFFCO Tokio | 289.17 | 426.82 | 5.7833 | 3.2797 | 33.00 | 61.00 | 1 |
| 2. | The new India | 1348.41 | 1007.93 | 26.97 | 18.95 | 33.00 | 61.00 | 1 |

| a. Companies having current year's profits more than Rs. 5 crores | | | | | | | | |
|---|----------------------|----------|----------------|---------------|--------------|---------------|-------------|-------|
| Sr.No | NON-LIFE Companies | AVG PRFT | Current Profit | 2% Net Profit | Amount Spent | CSRWD (Score) | %(Score/54) | Ranks |
| 3. | ECGC | 393.85 | 282.14 | 7.9 | 2.59 | 33.00 | 61.00 | 1 |
| 4. | HDFC ERGO | 182.25 | 277.17 | 3.645 | 3.645 | 30.00 | 56.00 | 4 |
| 5. | Bajaj Allianz | 711.00 | 727.84 | 14.23 | 14.23 | 27.00 | 50.00 | 5 |
| 6. | National Insurance | 589.25 | 45.84 | 11.78 | 19.31 | 27.00 | 50.00 | 5 |
| 7. | Tata AIG | 155.75 | 34.66 | 3.61 | 3.61 | 24.00 | 44.00 | 7 |
| 8. | Cholamandalam | 171.78 | 208.15 | 3.43 | 3.43 | 24.00 | 44.00 | 7 |
| 9. | Agriculture | 357.50 | 323.77 | 14.23 | 13.97 | 24.00 | 44.00 | 7 |
| 10. | ICICI Lombard | 619.94 | 701.88 | 12.4 | 12.4 | 24.00 | 44.00 | 7 |
| 11. | Future Generali | 31.55 | 42.80 | 0.6631 | 0.11 | 21.00 | 39.00 | 11 |
| 12. | Reliance General | 81.38 | 130.34 | 1.63 | 1.63 | 18.00 | 33.00 | 12 |
| 13. | Royal Sundram | 48.00 | 43.05 | 0.961 | 0.961 | 18.00 | 33.00 | 12 |
| 14. | universal Sampo | 26.43 | 48.98 | 0.528 | 0.528 | 15.00 | 28.00 | 14 |
| 15. | *SBI | *-72.77 | 152.66 | 0.00 | 0.00 | 12.00 | 22.00 | 15 |
| 16. | Star Health & Allied | -32.27 | 117.94 | NA | NA | 2.00 | 4.00 | 16 |
| 17. | Apollo Munich | -9.61 | 132.29 | NA | NA | 2.00 | 4.00 | 16 |
| 18. | Shriram General | 201.41 | 220.19 | NA | NA | 2.00 | 4.00 | 16 |
| b. Companies having current year's profits less than Rs. 5 crores | | | | | | | | |
| | NON LIFE companies | AVG PRFT | current profit | 2% net profit | Amount spent | CSRWB (Score) | %(score/54) | Ranks |
| 19. | United India | 312.77 | -1912.65 | 6.25 | 4.36 | 27.00 | 50.00 | 1 |
| 20. | The Oriented | 384.29 | -1691.10 | NA | NA | 7.00 | 13.00 | 2 |
| 21. | Liberty Videocon | -140.21 | -194.72 | NA | NA | 5.00 | 9.00 | 3 |
| 22. | Bharti AXA | -128.42 | -128.63 | NA | NA | 4.00 | 7.00 | 4 |
| 23. | Raheja QBE | 9.16 | 2.68 | NA | NA | 2.00 | 4.00 | 5 |

Source: IRDAI Website

*Average loss in three years

Foremost part of Table 3 shows that the net profit of these companies is more than 5 crore. The initial 14 companies have fully contributed toward CSR activities. These companies got highest CSR web disclosure score as these companies prepared CSR policy, structured CSR committee, spend 2% average net profit as per section 135 of the companies act, 2013 and also disclosed CSR expenditure as per rules 8, 9 of CSR, rules, 2014. *SBI General insurance companies Co. Ltd. also presented full CSR disclosure in the annual report but also mentioned in CSR annexure that we have not spent any amount on CSR activities due to -72.77 crores average net loss in proceeding three years. Rest three companies of the 1st part have just prepared CSR policy and committee. CSR projects of some these companies are long term, so, these

companies spent less than the budgeted amount on CSR activities are.

Three companies get 1st rank in CSR web disclosure namely IFFCO Tokio General Insurance Co. Ltd., followed by this, The New India Assurance Co. Ltd., and Export Credit Guarantee Corporation of India Ltd., HDFC ERGO General Insurance Co. Ltd. get 4th rank.

Secondary part of table 3 presents all those companies which are suffering from loss during current year but still prepared CSR policy & committee and also indulge in CSR activities. Among these companies, United India Insurance Co. Ltd. has taken marked steps as this company is suffered from loss during 201-2017 still fully involved into CSR activities as well disclosed complete

CSR information as per regulation on the website. Rest 4 companies have been prepared CSR policy and committee

whereas first 3 viz. The oriented, Liberty, Bharti AXA have also disclosed their CSR activities on their website.

Table 4: Areas Wise CSR Expenditure of Life and Non-life Insurance Companies (as per schedule VII of companies Act, 2013)

| Sr. No. | Prescribed areas for CSR expenditure | Life insurance companies | | | Non-life insurance companies | | |
|---------|--------------------------------------|--------------------------|--------|-------|------------------------------|--------|-------|
| | | Score | % | Ranks | Score | % | Ranks |
| 1. | Education | 41 | 25.47 | 1 | 42 | 24.71 | 1 |
| 2. | Health | 34 | 21.12 | 2 | 35 | 20.59 | 2 |
| 3. | Donation | 0 | 0.00 | 12 | 0 | 0.00 | 12 |
| 4. | Sports | 9 | 5.59 | 8 | 9 | 5.29 | 7 |
| 5. | Environment | 14 | 8.70 | 4 | 17 | 10.00 | 4 |
| 6. | Employment | 23 | 14.29 | 3 | 26 | 15.29 | 3 |
| 7. | Pvrt/Hunger | 6 | 3.73 | 9 | 4 | 2.35 | 9 |
| 8. | Armed | 0 | 0.00 | 12 | 0 | 0.00 | 12 |
| 9. | Gvt. Campaign | 2 | 1.24 | 10 | 1 | 0.59 | 10 |
| 10. | Disaster | 10 | 6.21 | 6 | 13 | 7.65 | 6 |
| 11. | Gender | 1 | 0.62 | 11 | 1 | 0.59 | 10 |
| 12. | Restoration Building | 0 | 0.00 | 12 | 0 | 0.00 | 12 |
| 13. | Rural Development | 11 | 6.83 | 5 | 14 | 8.24 | 5 |
| 14. | Others | 10 | 6.21 | 6 | 8 | 4.71 | 8 |
| | Total | 161 | 100.00 | | 170 | 100.00 | |

Source: IRDAI Website

Table 4 displays the areas wise of CSR expenditure scores, percentage, and ranking of CSR score of 22 life and 23 non-life insurance companies. It depicts that education (1), health (2), employment (3), environment (4), and rural development are top-ranked area in CSR expenditure in both the sectors. It is found that the most of life insurance companies have spent 76.41% of profit (2% of average profit) on these top 5 areas and the rest amount on the remaining areas. Non-life insurance companies have spent 78.83% of 2% average profit on these top areas and rest on donation, sports, poverty/ hunger removal, armed, government campaign, disaster management and women empowerment.

7. Ho₁: There is no significant difference is CSR web disclosure of life and non-life insurance company

Table 5: Mean Scores of Life and Non-life Insurance Companies

| Companies | N | Mean Rank | Mann-Whitney U | Sig. Value |
|--------------------|----|-----------|----------------|------------|
| Life Insurance | 22 | 20.82 | 205.00 | 0.273 |
| Non-life insurance | 23 | 25.09 | | |

Source: calculated from table 2 & 3

Table 5 shows that mean rank life insurance companies is 20.82 and in case of non-life insurance companies is 25.09. The calculated significant value of U-test is 0.273 which is more than .05, so, first null hypothesis is accepted. As a corollary, there is no significant difference is CSR web disclosure of life and non-life insurance companies.

Effect of Companies' Attributes on CSR Web Disclosure

The study has applied multiple regression to check the effect of various attributes on CSRWB. On the basis of review, four attributes viz. Age, net retention ratio, total assets and current ratio are selected as independent variables. All conditions of regression have been checked and found to be satisfied. The value of VIF & tolerance found to be in acceptable region and Durbin Watson also lies between 1.5 to 2.5. P-P plot and scatter plot presented that there is no problem non linearity and heteroscedasticity respectively. Following hypothesis tested in relation to check the effect of attributes on CSR web disclosure-

Ho₂: There is no relationship between size and Corporate Social Responsibility Web Disclosure of life and non-life insurance companies

Ho₃: There is no relationship between liquidity and corporate social responsibility Web Disclosure of life and non-life insurance companies

Ho₄: There is no relationship between Age and corporate social responsibility Web Disclosure of life and non-life insurance companies

Ho₅: There is no relationship between profitability and corporate social responsibility web disclosure of life and non-life insurance companies

Descriptive Statistics of Attributes

Table 6: Descriptive Statistics of Web Disclosure Score and Financial Variables of Life Insurance Companies

| Variables | Notion Used In Model | Minimum | Maximum | Mean | S.D. | Skewness |
|---------------------|----------------------|---------|-----------|----------|----------|----------|
| Total Asset | TA | 312.09 | 318985.08 | 46434.58 | 72354.56 | 2.84 |
| Current Ratio | CR | 0.78 | 4.23 | 1.56 | 0.92 | 2.26 |
| Age | Age | 5 | 60 | 14.55 | 10.76 | 3.84 |
| Net Retention Ratio | NRR | 95 | 99.95 | 98.22 | 1.45 | -0.84 |
| Web Disclosure | WD | 1.00 | 30 | 14.63 | 10.27 | -0.07 |

Source: IRDA Website

Total assets are in crores

Table 6 depicts the descriptive statistics of CSR WEB disclosure and financial variables (Age, NRR, TA, and CR) of 22 life insurance companies. The web disclosure means score is 14.63. The obtained score is low as compared to a maximal possible score of 54. The average score of CSR WEB disclosure is varies between 1 to 30.

Average scores of total assets, current ratio, age and net retention are 46434.58, 1.56, 14.55 and 98.22 respectively. Data of CSR web disclosure score is negatively skewed which indicates that most of the life-companies' CSR web disclosure is more than the average score because data falls on the right-hand side of the mean.

Table 7: Descriptive Statistics of Web Disclosure Score and Financial Variables of Non-Life Insurance Companies

| Variables | Notion Used In Model | Minimum | Maximum | Mean | S.D. | Skewness |
|---------------------|----------------------|---------|----------|----------|----------|----------|
| Total Asset | TA | 321.52 | 69172.81 | 12453.11 | 15923.97 | 2.41 |
| Current Ratio | CR | 0.07 | 0.70 | 0.28 | 0.16 | 0.82 |
| Age | Age | 4.00 | 110.00 | 27.78 | 33.06 | 1.69 |
| Net Retention Ratio | NRR | 25.44 | 88.00 | 70.94 | 15.39 | -1.43 |
| Web Disclosure | WD | 2.00 | 33.00 | 17.96 | 11.24 | -0.27 |

Source: IRDAI Website

Total Assets are in Crores

Table 7 displays the descriptive statistic of CSR WEB disclosure and financial variables (Age, NRR, TA, and CR) of 23 non-life insurance companies. The average score of CSR web disclosure is 17.96 which is low as compared to a maximum possible score of 54. CSR Web disclosure score diverge between 2 to 33. The average score of total assets, current ratio, age and net retention ratio of the non-life insurance companies are 12453.11, .28, 27.78 and 17.96 respectively. CSR web disclosure data is negatively skewed means most of CSR web disclosure of non-life insurance companies is more than mean score because data falls on the right-hand side of the mean.

developed by taking CSR web disclosure (CSRWD) as a dependent variable and Total asset and current ratio, Age and Net Retention Ratio as independent variables and applied hierarchy regression. Table 8 showing results of multiple regression which are computed with the help of following models -

Model 1 (M1): $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \epsilon$

Model 2 (M2): $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 \text{ CR} + \epsilon$

Model 3 (M3): $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 \text{ CR} + \beta_3 \log \text{ of Age} + \epsilon$

Model 4 (M4): $CSRWD = \alpha + \beta_1 \log \text{ of TA} + \beta_2 \text{ CR} + \beta_3 \log \text{ of Age} + \beta_4 \text{ NRR} + \epsilon$

Multiple Regressions Models

To check the effect of companies attributes on CSR web disclosure, different Multiple Regression Models have

Table 8: Multiple Regression Models

| Companies Models | Life | | | | Non-Life | | | |
|-------------------------|---------|---------|---------|----------|----------|---------|---------|---------|
| | M1 | M2 | M3 | M4 | M1 | M2 | M3 | M4 |
| R | .531 | .595 | .595 | .668 | .654 | .655 | .659 | .765 |
| R ² | .282 | .355 | .355 | .446 | .427 | .429 | .434 | .585 |
| Adjusted R ² | .247 | .287 | .247 | .316 | .400 | .371 | .345 | .493 |
| R ² change | .282 | .072 | .000 | .091 | .427 | .001 | .006 | .151 |
| F change | 7.871 | 2.124 | .000 | 2.802 | 15.680 | .038 | .187 | 6.558 |
| Sig F-Change | .011 | .161 | .986 | .112 | .001 | .848 | .671 | .020 |
| S.E. | 8.915 | 8.675 | 8.912 | 8.497 | 8.701 | 8.907 | 9.094 | 7.999 |
| Durbin-W | 1.840 | | | | 1.612 | | | |
| F value | 7.871 | 5.219 | 3.296 | 3.420 | 15.680 | 7.500 | 4.859 | 6.350 |
| Sig | .011 | .016 | .044 | .032 | .001 | .004 | .011 | .002 |
| Constant | -46.212 | -42.306 | -42.198 | -276.721 | -86.703 | -86.290 | -74.745 | -21.867 |
| Beta | | | | | | | | |
| N.E.R. | 7.420 | 7.514 | 7.474 | 5.166 | 13.411 | 13.273 | 11.287 | 6.608 |
| N.R.R | | -3.001 | -3.021 | -4.369 | | 2.361 | 1.311 | -8.276 |
| LOG of assets | | | .231 | .256 | | | 3.461 | 10.631 |
| Current Ratio | | | | 2.601 | | | | -.317 |

Source: SPSS Computed

Table 8 shows that all models are significantly good fit as the sig. values in every model is less than .05 in both sectors. In the first model log of total assets is taken as an independent variable, adjusted R^2 for life insurance sector is .247 and for non-life insurance sector is .400 which indicates that log of assets is able to explain 24.7% and 40% variation in CSRWD in their respective sectors. The 2nd null hypothesis not accepted because sig F-values are less than .05 which are .011 and .001 in life and non-life insurance sector respectively. It points out that the log of total assets has a significant relationship with CSR web disclosure (Almilia, 2009; Boubaker, Lakhali, & Nekhili, 2011; Almajali et al., 2012; Ayuba & Oba, 2016; Esrock & Leichty, 1998).

In the second model due to current ratio, the value of adjusted R^2 increased by 4% in life insurance sector and decrease by 2.9% in case of non-life insurance sector by controlling the effect of the log of total assets in the model. Variation explained by current ratio is statistically not significant in both sectors as the value of sig F-change is .161 and .848 respectively and third null hypothesis accepted. It is showing that there is no momentous relationship between liquidity and CSR web disclosure.

In the 3rd model, a log of age is added as a predictor, as a sequel value of adjusted R^2 drop from .287 to .247 and .371 to .345 in life and non-life insurance companies respectively by filtering the effect of the log of total assets and current ratio in 3rd model. Variation in adjusted R^2 is statistically insignificant. Fourth null hypothesis accepted in both sectors and point out that there is no significant relationship between the log of age and CSR web disclosure.

In the last model, net retention ratio gets included in the model to know its effect on CSRWD. Adjusted R^2 increased from 24.7% to 31.6% and from 34.5% to 49.3% in life and non-life insurance sector respectively by controlling the effect of the log of total assets, current ratio, and age. In case of life insurance sector value of sig F-change is .112 which indicates that Net retention ratio is statistically insignificant independent variable and 5th null hypothesis is accepted. In case of non-life insurance sector, the value of sig F-change is .020 which is less than .05 which demonstrates that net retention ratio has a remarkable effect on CSRWD (Kansal et al., 2007). Fifth null hypothesis is not accepted and indicates that

there is a significant relationship between profitability and CSRWD.

Conclusion

The study has examined the level of CSR web disclosure and tested the effect of age, net retention ratio, total assets and current ratio on CSRWB of insurance companies. The study observed that 22 life and 23 non-life insurance companies have CSR web disclosure but the level of CSRWB of insurance sector is low as compared to maximum possible CSRWD (Chaudhri & Wang, 2007; Djajadikerta & Trireksani, 2012). As per section 135, it is compulsory to spend 2% of average profit on CSR activities if net profit of current year is more than 5 crores. There are two substantial significant players viz. Reliance Nippon Life Insurance and Unites India insurance co. Ltd. (non-life) of insurance companies who are suffering from a loss in the current year but still fully contributed towards CSR activities and disclosed complete CSR information on their websites. Education, health, employment, Environment and rural development are highly concerned areas for CSR expenditure in both life and non-life insurance sectors. On an average, 77% of the budgeted amount of CSR is used in the direction of these sectors. In case of life insurance sector, the only size is showing a significant relationship with CSR web disclosure whereas; in case of non-life insurance sector size and profitability are identified as a significant forecaster of CSR web disclosure.

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ANNEXURE I

Corporate Social Responsibility Web Disclosure Index:

| CSR Web Disclosure Items | | Maximum Possible Score |
|---|--|------------------------|
| 1. | CSR Policy | 1 |
| 2. | CSR Committee | 1 |
| CSR Activities | | |
| 3. | Education | 3 |
| 4. | Health | 3 |
| 5. | Donation | 3 |
| 6. | Sports | 3 |
| 7. | Environment | 3 |
| 8. | Employment | 3 |
| 9. | Poverty/Hungary Alleviation | 3 |
| 10. | Armed force | 3 |
| 11. | Government campaign | 3 |
| 12. | Prime minister relief fund | 3 |
| 13. | Women empowerment/ gender equality | 3 |
| 14. | Protection of national heritage, art and culture | 3 |
| 15. | Rural development | 3 |
| 16. | Others | 3 |
| 17. | Average net profit of proceeding three years | 3 |
| 18. | Specified CSR expenditure (2% of average net profit of last 3 years) | 3 |
| 19. | CSR Unspent Amount | 3 |
| 20. | CSR responsibility Statement | 1 |
| Total possible score for web disclosure | | 54 |