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A STUDY ON CSR PRACTICES AND CONSUMER PERCEPTIONS IN INSURANCE SECTOR IN KADAPA DISTRICT

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ABSTRACT

Corporate Social Responsibility (CSR) developed very slowly in India though it was started a long time ago. CSR has been assuming greater importance in the corporate world, including the banking sector. There is a visible trend in the financial sector of promoting environment friendly and socially responsible lending and investment practices. The Govt. of India is pursuing the matter relating to CSR and also drafted guidelines for CSR practices time to time. The present study is based on the survey method and efforts are also made in the present study to know the status of CSR and strategies adopted and consumer perceptions in Insurance companies in Kadapa district in Andhra Pradesh, India. The aim of the research paper is to find the satisfaction and perception levels towards the CSR practices of select Insurance companies in the select study area.

INTRODUCTION

Indians' participation in investment of life insurance rather than the foreigners is comparatively poor. Insurance policies are now-a-days creating very anxiety among the working public since it is a best tool of tax savings and risk minimizing. There are many public sector and private sector insurance companies in India.

Corporate Social Responsibility(CSR) is an effective way of achieving and maintaining sound business management. By carrying out social responsibility a company can actually enhance its own economic value and brand image as well as benefits the society. In addition, companies and other organisations are required to have accountability towards stakeholders such as consumers, investors, employees, local residents etc. while utilising the resources of society. Many companies are putting more emphasis on Corporate Social Responsibility's Triple Bottom Line such as People, Planet and Profit. The prime purpose of including CSR in corporate business is to make the corporate business activities as well as the corporate culture both sustainable in three ways such as economic, social and environmental. Paying equal amount of attention to all the three dimensions, but many companies think that corporate social responsibility is a much exterior part of their business, whereas most think it to be an

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irrelevant issue for their business as satisfying their customers/clients is more important for them. It is further felt that customer satisfaction is only about price and service, but concentrating on only these aspects of business makes them blindfolded towards other important changes taking place worldwide that could blow the business out of the water.

Despite CSR's capacity of fetching a lot to the corporate desk, a fair number of companies show high dissatisfaction towards this responsibility with some disclosing to have adopted CSR in the first place as marketing tactic and some, considering CSR as a coerced burden whose absence may have brought much more to the companies in the long run. Hence, to understand what is the importance of CSR holds in today's era and whether its graft is worth the outcome or not. Hence, the study has been conducted to know the consumer perceptions towards CSR practices and financial efficiency of insurance companies in India and in YSR District of Andhra Pradesh State.

OBJECTIVES OF THE STUDY

The following are objectives considered for this study.

- to identify the **factors that motivate**insurance companies to practicecorporate social responsibility practices in the study area,
- to examine the **different corporate ethics, social responsibility strategies** adopted by the select insurance companies in the study area,
- to measure the **financial efficiency** of insurance companies in India,
- to study the **impact of corporate ethics, social responsibility practices and financial efficiency** on the performance of select insurance companies,
- to elicit the **customer satisfaction levels towards the implementation of CSR practices** in the select insurance companies,

METHODOLOGY AND DESIGN

Target Population and Geographical Area

The target population of the study is select customers and employees in 4 life insurance companies in YSR district as they are practicing CSR practices since 2012.

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Table 1.0 gives total population of the select insurance companies in YSR district.

Table 1.0

TOTAL POULATION OF THE STUDY

Name of the Insurance Company	**Location of the Branch**	**No.ofDepartments**	**Total No.ofCustomers/ Policyholders**
LIC	Badvel	4	>25000
	Jammalmadugu	4	>30000
	Kadapa	6	>50000
	Mydukur	4	>25000
	Proddutur	5	>30000
	Pulivendula	4	>25000
	Railway Kodur	5	>25000
	Rajampeta	5	>30000
	Rayachoti	4	>20000
	Yerraguntla	4	>10000
SBI LIFE	Kadapa	2	>15000
	Proddutur	2	>7500
	Rajampeta	2	>7500
ICICI LIFE	Kadapa	4	>8000
	Rajampeta	4	>5000
HDFC LIFE	Kadapa	3	>2000
	Proddutur	3	>1500
TOTAL		--	>3,16,500

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Sample Design and Data Collection

The data has been collected from both the primary and secondary sources through structured questionnaire.

For testing the validity and reliability of the questionnaire, a pilot study with the sample of 50 employees and 100 customers/policyholders has been conductedby issuing structured questionnaires.

After testing the questionnaire, it was refined and distributed to collect the data from the select customers and employees in select life insurance companies. There are more than3,16,500 members of policy holders in select life insurance in YSR district. Among them, 600 policyholders have been selected as sample by using coherence formula of infinitive sample and cluster and convenient sampling techniques have been adopted for selecting the sample respondents in the study..

Research Design - Analytical Research Method (way of conducting is public opinion)

Research Approach – Survey Method

Research Instrument - Structured Questionnaire

Tools for the study – Mean, Correlation, Regression, t-test, ANOVA, SEM etc**.**

ANALYSIS AND OBSERVATIONS

Impact of Customer Demographics on their Perceived CSR

Customer Demographic Profile

TABLE-2.0

Gender Profile of the Respondents

Demographic Variable	Group	Frequency	Percentage	Total
Gender	Male	503	59.2	
	Female	347	40.8	850

Gender is an important variable in a given Indian social situation, which invariably affects customers. It is evident from the study that out of the total respondents for this study, 59.2 per were males and 40.8 percent were females.

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TABLE-3.0

Age Profile of the Respondents

Demographic Variable	Group	Frequency	Percentage	Total
Age	Below 25 Years	215	25.3	
	25 - 35 Years	237	27.9	
	35 - 45 Years	295	34.7	
	Above 45 Years	103	12.1	850

37.7 per cent of the respondents were in the age group of 35 - 45 followed by 27.9 per cent in 25 – 35, 25.3 per cent below 25 years and 12.1 per cent above 45 years.

TABLE-4.0

Marital Statusof the Respondents

Demographic Variable	Group	Frequency	Percentage	Total
Marital Status	Married	618	72.7	
	Unmarried	232	27.3	850

In the family composition, 72.7 per cent belong to married group and remaining 27.3 per cent unmarried.

TABLE-5.0

Educational Qualification Profile of the Respondents

Demographic Variable	Group	Frequency	Percentage	Total
Qualification	Up to SSC	478	56.2	
	Intermediate	165	19.4	
	Graduate	176	20.7	
	Post Graduate	31	3.6	850

Education Qualification is one of the most important characteristics that might affect the customer's attitudes and investing capabilities. Hence, the variable 'customer Educational

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level' is considered by the researcher. As per the Table 5.0, majority of respondents are having only SSC and Intermediate. Very lesser number of them is graduates i.e 20.7 per cent were graduates.

TABLE-6.0

Occupation Profile of the Respondents

DemographicVariable	Group	Frequency	Percentage	Total
Occupation	Agri/Self Employee	111	13.1	
	Private Employee	194	22.8	
	Govt. Employee	102	12.0	
	Corporate Employee	443	52.1	850

The occupations of the respondents do have a bearing on his or her personality and the quality of life. Almost 90 per cent of the respondents were self and private employees in the study area.

TABLE-7.0

Family Income Profile of the Respondents

Demographic Variable	Group	Frequency	Percentage	Total
Family Income	Up to Rs. 150,000	242	28.5	850
	150,000 to 300,000	338	39.8	
	300,000 to 600,000	215	25.3	
	Above 600,000	55	6.5	

It is evident from Table 4.16 that the 39.8 per cent of the respondents are earning in between 150,000 to 300,000 followed 28.5 percent up to 150,000, 25.3 per cent in the group of 300,000 to 600,000. Close to seven per cent were in 'above Rs.600,000 income group.

Impact of Customer Demographics on their Perceived CSR

The customer demographic conditions like gender, age,educational qualifications, occupational status and incomemay influence the perceived CSR. Hence, the researcher in this section has assessed the impact and influence of demographic factors on the perceived

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CSR. Based on the essence the hypotheses are formulated and tested using Independent sample t-test and one-way ANOVA with the help of SPSS and JASP statistical software.

Impact of customer Gender groups and their perceived CSR

Previous studies have predominantly stated that the tastes, preferences, attitude and buying patterns significantly differ between male and female respondents. So, Gender is an important variable which should be considered for the study. Hence, the study directed to measure the impact of gender on the customer perceived level of CSR. For assessing the same the following hypothesis is formulated.

H_1: There is significant difference between male and female respondentsin their perceived level of CSR Practices.

The measuring the differences between male and female respondents in perceiving the CSR practices of Insurance companies, Independent sample t-test is carried.

Table 8.0

Independent sample T-Test results

Gender	N	Mean	Std. Deviation	Std. Error Mean
Male	503	2.6028	.52665	.02348
Female	347	2.5883	.54794	.02941

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Table 9.0

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CSR	Equal variances assumed	.301	.583	.389	848	.698	.01452	.03737	-.05882	.08786
	Equal variances not assumed			.386	724.676	.700	.01452	.03764	-.05937	.08842

Independent Sample t-Test has been run to test the variation of perceived CSR between male and female sample respondents in the study area. Dependent variable in the test is Corporate Social Responsibility. Independent variables are Male and Female respondents of Insurance companies. Table shows the result of the test. The resulted p value 0.700 (equal variances not assumed) is >0.05. So, the hypothesis is not supported. It is proved that there is no significant difference between male and female in perceived CSR practices of Insurance companies.

Relationship among the customer Age groups and their level of perceived CSR

The age of the respondent is a primary factor in influencing the CSR practices of different companies in the existing literature. Hence, the researcher is considered the age for the study. The hypothesis is formulated as

H2: There is significant difference among different age groups of customers in their perceived level of CSR Practices.

The CSR Practices is treated as dependent variable and different age groups of customers are treated as independent variables. One-way ANOVA with Post Hoc test is carried to assess the differences in age groups and impact of age group on customer perceived CSR practices of Insurance companies.

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Table 10.0

Descriptive Statistics for Age group differences in CSR

	N	Mean	Std. Deviation	Std. Error
Below 25 Years	215	2.6969	.59116	.04032
25 - 35 Years	237	2.6169	.55067	.03577
35 - 45 Years	295	2.5612	.51909	.03022
Above 45 Years	103	2.4441	.35098	.03458
Total	850	2.5969	.53517	.01836

Table 11.0

ANOVA for Age group differences in CSR

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.025	3	1.675	5.950	.001
Within Groups	238.135	846	.281		
Total	243.159	849			

The ANOVA results for measuring variances in different customer age groups relating to the perceived CSR practices of Insurance companies of is presented in the table 11.0. The results show that the *p-value* 0.001isless than significant value 0.05. So, the hypothesis is supported. In order to assess specific age group effects, the post hoc test is carried.

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Table 12.0

Multiple Age group Comparisons

Dependent Variable: CSR Tukey HSD						
(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Below 25 Years	25 - 35 Years	.07994	.04997	.379	-.0487	.2086
	35 - 45 Years	.13566*	.04758	.023	.0132	.2581
	Above 45 Years	.25278*	.06358	.000	.0891	.4164
25 - 35 Years	Below 25 Years	-.07994	.04997	.379	-.2086	.0487
	35 - 45 Years	.05572	.04628	.624	-.0634	.1749
	Above 45 Years	.17284*	.06261	.030	.0117	.3340
35 - 45 Years	Below 25 Years	-.13566*	.04758	.023	-.2581	-.0132
	25 - 35 Years	-.05572	.04628	.624	-.1749	.0634
	Above 45 Years	.11712	.06072	.017	-.0392	.2734
Above 45 Years	Below 25 Years	-.25278*	.06358	**.000**	-.4164	-.0891
	25 - 35 Years	-.17284*	.06261	**.030**	-.3340	-.0117
	35 - 45 Years	-.11712	.06072	**.017**	-.2734	.0392

The multiple age group comparison results using The Tukey HSD (Honest Significant Difference) test is presented in the table 12.0. itshows that the age group of above 45 years has the highest impact as its p-value is <0.05 in contrast to other age groups of the respondents. It can be concluded from the HSD analysis that among all age groups the age group above 45 years is perceiving the CSR practices most.

Relationship between the customer marital status groups and their perceived CSR

H3: There is significant difference between married and unmarriedrespondentsin their perceived level of CSR Practices.

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The measuring the differences between married and unmarriedrespondents in perceiving the CSR practices of Insurance companies, Independent sample t-test is carried.

Table 13.0

Descriptive statistics of customer marital status

Marital Status	N	Mean	Std. Deviation	Std. Error Mean
Married	618	2.5859	.52158	.02098
Unmarried	232	2.6261	.56993	.03742

Table 14.0

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CSR	Equal variances assumed	2.638	.105	-.976	848	.330	-.04020	.04121	-.12108	.04068
	Equal variances not assumed			-.937	384.852	.349	-.04020	.04290	-.12454	.04415

CSR is considered as dependent variable and married and unmarried groups are considered as Independent variables. the results from the table 14.0 reveal that the p value 0.349 (equal variances not assumed) is >0.05. So, the hypothesis is not supported. It is proved that there is no significant difference between married and unmarried in perceived CSR practices of Insurance companies.

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Relationship among the customer educational qualification groups and their level of perceived CSR

The customer educational qualification is found significant contributor in influencing the CSR practices of different companies in the existing literature. Hence, the researcher is considered the educational qualification for the study. The hypothesis is formulated as

H4: There is significant difference among different qualification groups of customers in their perceived level of CSR Practices.

The CSR Practices is treated as dependent variable and different age groups of customers are treated as independent variables. One-way ANOVA with Post Hoc test is carried to assess the differences in qualification groups and impact of qualification group on customer perceived CSR practices of Insurance companies.

Table 15.0

Descriptive Statistics for Educational Qualification group differences in CSR

	N	Mean	Std. Deviation	Std. Error
Upto SSC	478	2.5889	.53758	.02459
Intermediate	165	2.4905	.37233	.02899
Graduate	176	2.7174	.65281	.04921
Post Graduate	31	2.6005	.34368	.06173
Total	850	2.5969	.53517	.01836

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Table 16.0

ANOVA for Educational Qualification group differences in CSR

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.453	3	1.484	5.260	.001
Within Groups	238.707	846	.282		
Total	243.159	849			

Table 16.0 depicts the ANOVA results for measuring changes in perceived values of customers who possess different educational qualifications. The results show that the *p-value* 000*is*<0.05 and is significant. Hence, the stated hypothesis is supported.

Table 17.0

Multiple Educational Qualification group Comparisons

(I) Qualification	(J) Qualification	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Upto SSC	Intermediate	.09840	.04796	.170	-.0251	.2219
	Graduate	-.12845*	.04683	.032	-.2490	-.0079
	Post Graduate	-.01154	.09845	.999	-.2650	.2419
Intermediate	Upto SSC	-.09840	.04796	.170	-.2219	.0251
	Graduate	-.22686*	.05756	.001	-.3750	-.0787
	Post Graduate	-.10994	.10398	.716	-.3776	.1577
Graduate	Upto SSC	.12845*	.04683	**.032**	.0079	.2490
	Intermediate	.22686*	.05756	**.001**	.0787	.3750
	Post Graduate	.11692	.10347	.671	-.1494	.3833
Post Graduate	Upto SSC	.01154	.09845	.999	-.2419	.2650
	Intermediate	.10994	.10398	.716	-.1577	.3776
	Graduate	-.11692	.10347	.671	-.3833	.1494

*. The mean difference is significant at the 0.05 level.

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Relationship among the customer occupational status groups and their level of perceived CSR

The customer working occupation also found as significant contributor in influencing the CSR practices of different companies in the existing literature. Hence, the researcher is considered the occupation level for the study. The hypothesis is formulated as

H5: There is significant difference among different occupational status groups of customers in their perceived level of CSR Practices.

The CSR Practices is treated as dependent variable and different occupational groups of customers are treated as independent variables. One-way ANOVA with Post Hoc test is carried to assess the differences in occupational groups and impact of occupational group on customer perceived CSR practices of Insurance companies.

Table 18.0

Descriptive Statistics for Occupational status group differences in CSR

	N	Mean	Std. Deviation	Std. Error
Govt. Employee	111	2.4942	.42655	.04049
Private Employee	194	2.4805	.36548	.02624
Corporate Employee	102	3.1535	.84310	.08348
Agri/Self Employee	443	2.5454	.44872	.02132
Total	850	2.5969	.53517	.01836

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Table 19.0

ANOVA forOccupational status group differences in CSR

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	36.575	3	12.192	49.927	.000
Within Groups	206.584	846	.244		
Total	243.159	849			

The ANOVA results for measuring variances in different customer occupational groups relating to the perceived CSR practices of Insurance companies of is presented in the table19.0. The results show that the *p-value* 0.000isless than significant value 0.05. So, the hypothesis is supported. In order to assess specific occupational group effects, the post hoc test is carried.

Table 20.0

Multiple Occupational status group Comparisons

(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Govt. Employee	Private Employee	.01367	.05881	.996	-.1377	.1651
	Corporate Employee	-.65931*	.06778	.000	-.8338	-.4848
	Self-Employee	-.05118	.05245	.763	-.1862	.0838
Private Employee	Govt. Employee	-.01367	.05881	.996	-.1651	.1377
	Corporate Employee	-.67298*	.06044	.000	-.8286	-.5174
	Self-Employee	-.06485	.04254	.026	-.1744	.0247
Corporate Employee	Govt. Employee	.65931*	.06778	**.000**	.4848	.8338
	Private Employee	.67298*	.06044	**.000**	.5174	.8286
	Self-Employee	.60813*	.05427	**.000**	.4684	.7478

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Agri/Self-Employee	Govt. Employee	.05118	.05245	.763	-.0838	.1862
	Private Employee	.06485	.04254	.023	-.0447	.1744
	Corporate Employee	-.60813*	.05427	.000	-.7478	-.4684

*. The mean difference is significant at the 0.05 level.

The multiple occupational group comparison results using The Tukey HSD (Honest Significant Difference) test is presented in the table 4.29. itshows that the occupational group of Private employee has the highest impact as its p-value is <0.05 in comparison to other age groups of the respondents. It can be concluded from the HSD analysis that among all occupational groups the group private employee is perceiving the CSR practices most.

Relationship among the customer family Income groups and their level of perceived CSR

The customer educational qualification is found significant contributor in influencing the CSR practices of different companies in the existing literature. Hence, the researcher is considered the family Income for the study. The hypothesis is formulated as

H6: There is significant difference among different Income groups of customers in their perceived level of CSR Practices.

The CSR Practices is treated as dependent variable and different Income groups of customers are treated as independent variables. One-way ANOVA with Post Hoc test is carried to assess the differences in qualification groups and impact of Income group on customer perceived CSR practices of Insurance companies.

Table 21.0

Descriptive Statistics for Income group differences in CSR

	N	Mean	Std. Deviation	Std. Error
uptoRs. 150,000	242	2.5767	.59229	.03807
150,000 to 300,000	338	2.6384	.55526	.03020
300,000 to 600,000	215	2.5750	.46756	.03189
Above 600,000	55	2.5157	.35440	.04779
Total	850	2.5969	.53517	.01836

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Table 22.0

ANOVA for Income group differences in CSR

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.147	3	.382	1.337	.261
Within Groups	242.012	846	.286		
Total	243.159	849			

Table 23.0

Multiple Income group Comparisons

(I) Income	(J) Income	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
up to Rs. 150,000	150,000 to 300,000	-.06170	.04504	.519	-.1776	.0542
	300,000 to 600,000	.00175	.05013	1.000	-.1273	.1308
	Above 600,000	.06098	.07990	.871	-.1447	.2666
150,000 to 300,000	up to Rs. 150,000	.06170	.04504	.519	-.0542	.1776
	300,000 to 600,000	.06345	.04666	**.025**	-.0566	.1836
	Above 600,000	.12269	.07777	**.032**	-.0775	.3229
300,000 to 600,000	up to Rs. 150,000	-.00175	.05013	.000	-.1308	.1273
	150,000 to 300,000	-.06345	.04666	.025	-.1836	.0566
	Above 600,000	.05923	.08082	.884	-.1488	.2673
Above	up to Rs. 150,000	-.06098	.07990	.871	-.2666	.1447

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600,000	150,000 to 300,000	-.12269	.07777	.032	-.3229	.0775
	300,000 to 600,000	-.05923	.08082	.884	-.2673	.1488

The multiple Income group comparison results using The Tukey HSD (Honest Significant Difference) test is presented in the table 4.31. itshows that the Income group 150,000 to 300,000 has the highest impact as its p-value is <0.05 in comparison to other Income groups of the respondents. It can be concluded from the HSD analysis that among all occupational groups the group 150,000 to 300,000 is perceiving the CSR practices most.

CONCLUSION

The Research Model is empirically investigated using structural equation modelling. The results shown that the CSR has the direct effect on customer loyalty. Most importantly, it has the indirect effects through corporate image and customer satisfaction. The path from CSR to loyalty through corporate image and satisfaction is the strongest relationship than other paths.

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