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CREDIBILITY OF CSR AND SUSTAINABILITY REPORTING IN INDIA: AN EMPIRICAL STUDY OF ECONOMIC AND PHILANTHROPIC CSR PRACTICES IN PUBLIC AND PRIVATE SECTOR ORGANIZATIONS

Keywords: CSR, perception effectiveness, CSR policies, operational measures, public and private sector organizations.

J E L Classification: M140, M480, L210.

Abstract: Parameters such as readability, adherence to reporting guidelines, data quality, and stakeholder dialogue are considered to assess the credibility of information in a company's annual and sustainability reports. An examination of the reliability aspect of Corporate Social Responsibility (CSR) and sustainability reports (SR) from specific companies reveals that nearly all of them present information in a clear and comprehensible format, and adhere to fundamental reporting principles, such as providing details about the time period covered. CSR reports include details about the constraints and the specific demographic the organization aims to reach. The data for the study is gath-

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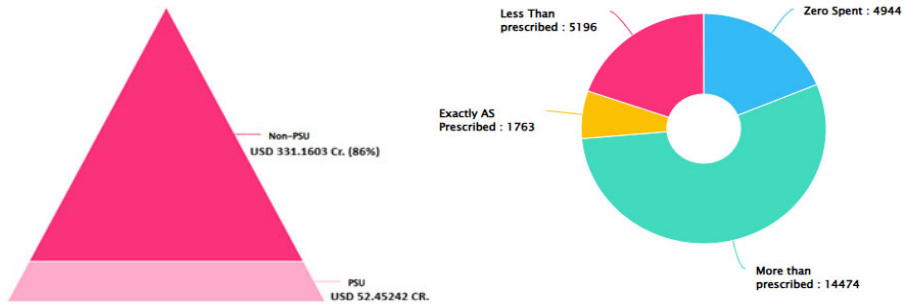
ered from 280 respondents who are working as the finance/accounting managers or financial professionals, i.e., CA (Chartered Accountant), CS (Company Secretary) or ICMAI (Management Accountant), using structured questionnaire with close ended questions, who are working in the public and private sector in India. The same is analyzed with the one sample t test and multiple regression tools with the SPSS software. The results indicate that two key variables significantly influence CSR effectiveness. First, Economic CSR plays a crucial role in enhancing the effectiveness of CSR policies and operational measures. Second, Philanthropic CSR strongly contributes to predicting and shaping effective CSR policies and procedures in both public and private sector organizations.

■■■ INTRODUCTION

Environmental and social responsibility refers to the duty of individuals, environmental organizations, and government entities. Consequently, CSR is a need for energy firms. A firm operating in the energy sector must be cognizant of the social, environmental, and economic ramifications of its activities in all the areas it impacts. CSR in the energy business is driven by the equilibrium between incentives and obligations. The market or requirement-based pressures may be classified into three distinct categories: economic, social, and political considerations (Peršić, Bakija & Vlašić, 2015; Potharla, 2024). A firm operating in the energy sector must possess awareness about the social, environmental, and economic ramifications of its activities in all the areas it impacts. Engaging in partnerships with external organizations may help create credibility, increase reputation, and provide economic benefits, enabling operations on both a global and local level, resulting in significant and lasting effects (Murawski, 2017; Potharla, 2024). Power companies in India have played a crucial role in the nation's socio-economic development. Their extensive influence has led to the development of the nation's remotest regions, enhanced agricultural practices, and elevated the quality of life for its inhabitants. Electricity firms are also responsible for improving the conditions of the destitute due to various CSR programs.

The implementation of the Companies Act, 2013 in India has resulted in the inclusion of CSR operations of Indian corporations, both public and private, within the scope of corporate law. Prior to this, Indian firms were regulated by the firms Act of 1956, which did not include any rules pertaining to CSR. The Companies Act, 2013 became effective on April 1, 2014 and included important measures related to CSR practices and reporting. Previously, a few of corporations in India engaged in CSR as a voluntary endeavor and reported their efforts without a formal regulatory framework in place.

Figure 1. Total amount of CSR expenditure with classification in PSU and non-PSU in 2023–24, and company wise CSR compliance



Source: CSR.gov.in.

Under the Companies Act, 2013, all profitable corporations, including Central Public Sector Enterprises (CPSEs), with a net worth of USD 5.495 crore or more or a turnover of USD 10.989 crore (1 crore = 10 million) or more, or a net profit of USD 0.055 crore or more are required to dedicate 2% of their average net profits (Profit Before Tax) from the last three years to CSR initiatives. The Ministry of Corporate Affairs has introduced the Corporations (CSR Policy) Rules, 2014, along with Schedule-VII of the firms Act, 2013. These regulations specify the permissible activities that firms may undertake as part of their CSR initiatives. The Company is required to provide information about its CSR efforts in the “Annual CSR Report” as part of the Board Report, in order to comply with statutory CSR regulations. If the organizations do not meet the required expenditure for CSR initiatives, the Board of Directors must provide a detailed explanation in the CSR report, including the reasons for not using the allotted funds.

The reports by Ministry of Corporate Affairs on CSR spending show a consistent increase in CSR spending over the years, with the total CSR expenditure rising from USD 274.35 crores in FY 2019–20 to a peak of USD 383.61 crores in FY 2023–24 (figure 1). For year 2023–24, non-PSU companies contributed the bulk of CSR expenditure, spending USD 331.16 crores (86%), while PSUs spent USD 52.45 crores, reflecting only 14% of the total and 14,474 companies spent more than the prescribed CSR amount (csr.gov.in). This highlights that while a significant number of companies exceed compliance requirements, a notable share either underperform or fail to comply with CSR norms, signalling areas for improved enforcement or support.

REVIEWS OF LITERATURE

The model for assessing the effects of CSR at the company level is designed in a manner that closely follows the structure of Corporate Social Performance (CSP) models found in academic literature. Consistent with the works of Wood (2010) and Jamali and Mirshak (2007), we categorize the content into two sections: policy measures and operational measures. Initially, firms establish CSR policies. Subsequently, they choose the course of action for implementing CSR programs. Finally, these CSR programs have the potential to generate certain favorable CSR outcomes. Policies are defined as a company's explicit intentions on environmental or social management, which are communicated by formal arguments such as written statements, declarations, and slogans, both internally and publicly (Rhee & Lee, 2003). Companies demonstrate their acknowledgement and delineation of their responsibility for certain concerns by explicitly expressing their policies (Skjærseth & Wettestad, 2009). According to several writers, the creation of an environmental policy is often seen as the first significant action in demonstrating dedication to environmental concerns within the corporate domain (Gray, Bebbington & Walters, 1993). Implementation refers to the use of programs by firms to incorporate CSR within their organizational structure. CSR implementation serves as the practical application of CSR policies, acting as the intermediary between policies and their resulting effect (Banaszkiewicz & Makowska, 2012; Potharla, 2024).

According to Hess and Warren (2008), a company's performance in terms of effects and sustainability is directly proportional to the level of integration of CSR policies via the implementation of high-quality CSR programs. Numerous empirical studies on Corporate Social Performance (CSP) illustrate the importance of the initial kind of decoupling, when managers attempt to meet external expectations by enacting policies that are disconnected from core operations (Greening & Gray, 1994; Weaver, Trevino & Cochran, 1999).

Public sector undertakings (PSUs) often have a higher percentage of involvement in CSR activities compared to private sector companies. Public sector entities tend to focus more on healthcare initiatives, such as organizing health check-up camps. Private companies, on the other hand, are noted to spend more on CSR activities overall, particularly during crises like the COVID-19 pandemic (Srivastava & Srivastava, 2023).

CSR activities in India have significantly contributed to various social sectors, including health, education, and community development (Madaan, Kaur,

Gowda, Gujrati & Uygun, 2023). Companies that integrate CSR into their core business strategies tend to perform better in terms of both social impact and financial performance (Deb, Gillet & De, 2025). Both public and private sector companies face challenges in CSR agenda building and implementation (Tawiah, Samson & Jatau, 2025). For instance, mining companies have additional challenges due to the social and environmental impacts of their activities (Sharma, Ray, Agarwal & Tapasvi, 2019). There is a need for better monitoring and evaluation practices to measure the outcomes of CSR interventions effectively (Singh, Holvoet & Pandey, 2018; Deb, Gillet & De, 2025).

A restricted number of studies have investigated the prevalence of the second kind of decoupling (Bromley & Powell, 2012). Friedman and Miles (2001) and Ammenberg and Hjelm (2003) examined the ecological impacts of adopting environmental management systems. The establishment of a shared environmental management system in Britain and Sweden resulted in favorable environmental effects. Both studies, however, depend on a limited number of case studies about small- and medium-sized enterprises, complicating the extrapolation of the results. Annandale, Morrison-Saunders and Bouma (2004) executed a study on the initial kind of decoupling, concentrating only on interviews with representatives from 40 Australian companies. The study showed that the implementation of environmental management systems markedly improves environmental performance and proves to be more effective than environmental reporting.

In addition, there are no existing empirical studies that concurrently examine both social and environmental implications within a framework that also incorporates the organization of CSR at the company level. Due to the scarcity of data, the degree to which the combination of CSR policies and their implementation with programs really results in effects remains questionable. This gap is a significant deficiency in CSR research. If CSR does not provide positive social and environmental outcomes for society, the whole idea may become obsolete (Oduro, Umar, DeMassis & Haylemariam, 2025).

The manner in which enterprises interact with society is contingent upon how they delineate their environment, primary stakeholders, and the institutions they interact with. Large, listed corporations in affluent nations and comparatively smaller listed enterprises from problem-affected developing countries have various ways in engaging with society. Nevertheless, when strong institutions are present, CSR generates value for its stakeholders and enhances its institutional and societal aspects (Risi, Vigneau, Bohn & Wickert, 2023; Gal-

leli & Amaral, 2025). Businesses are more conscious of their influence on society due to institutional activism (Swanson, 2017) and develop ways to preserve ethical principles and demonstrate respect for individuals, communities, and the environment (Duarte, 2010).

The empirical research has clearly shown the influence of institutional elements. Companies want to revamp their goods and adhere to CSR standards, since these activities are seen as exemplary by consumers (Abdeljawad, Rashid, Arafat, Naifeh & Ghanem, 2024) and have a beneficial impact on the company's product and market performance (Kuokkanen & Sun, 2020; Shakil, Hossain, Khan, Noyon & Ripon, 2025). Reports of corporations engaging in anti-social behavior are often subjected to severe penalties by the financial and product markets. Consequently, CSR becomes a crucial component of a company's competitive edge, serving to protect and strengthen the trust of both customers and workers (Yu, Kuo & Kao, 2017). Community involvement plays a crucial role in CSR initiatives in smaller markets. Given the tight ownership ties between enterprises in these marketplaces, the expectations for CSR in these settings are influenced by the companies' own activities to enhance the environmental, social, and financial well-being of the community. CSR efforts create societal challenges, yet corporations see a rise in return on equity or profits per share (Sameer, 2021; Arici, Saydam, Sökmen, & Arici, 2025). This research anticipates that the inclusion of a unified community as a component of the CSR strategy would result in favorable financial performance for Indian enterprises.

THE RESEARCH METHODOLOGY AND THE COURSE OF THE RESEARCH PROCESS

The proposed study relies on the primary data, which will be supported by the knowledge obtained through corporate disclosures in annual reports, in accordance with the previous studies in the field of CSR and SR. A structured questionnaire was used to gather primary data, which was used as the main tool to retrieve perceptions concerned with CSR practices and disclosures. CSR Structured questionnaires are very common in research on CSR because it can be used to measure the assessment of stakeholders of financial and non-financial disclosure practices. The paper targets CSR-active listed firms in India that include the financial and non-financial sectors. According to the data of the Indian stock market, over 20,840 registered firms were listed on the Bombay Stock Exchange (BSE) in 2022 with the total CSR expenditure of USD 288.03

crore on 39,324 CSR projects located in 14 sectors of development. This expansive CSR environment introduces a pertinent and quite healthy environment to observe managerial regards of CSR effectiveness and quality disclosure. A total of 280 respondents were identified who included finance managers, accounting managers, and financial professionals such as CA, CS, and ICWAI/CMA working with the PSUs and non-PSU organizations in India. The data was collected in the third quarter of 2025 between March and June, and they will therefore be relevant at this period.

The sample constitutes a wide spectrum of industries which comprised, banking, cement, iron and metal mining, manufacturing, industrial sectors, investment services, insurance and any other service industries hence increasing the generalizability in finding. The samples of respondents were picked depending on their professional engagements on financial reporting, accounting, or compliance functions, and therefore they had sufficient knowledge and experience in the field of CSR disclosure practices. The questionnaire was composed of close ended statements on a five point Likert scale, 1=strongly disagree, up to 5=strongly agree. The scaling method will enable quantitative research on the perceptions and allow consistency with previous empirical research. The ultimate dataset contained 280 valid responses, and it was considered statistical enough. The SPSS version 24 was used to run the data analysis. The data on the characteristics of respondents were summarized using the descriptive statistics, and the one-sample t-tests were used to analyze whether the perception of respondents significantly differed with the neutral benchmark values. Further, the multiple regression analysis has been used to measure the relations among CSR practices and outcome variables of interest. The choice of these statistical methods was based on the suitability of the analysis of data of perceptual types and assumptions of hypotheses.

Data Analysis

To examine the good CSR policies and Operational Measures adopted by selected public and private sector organizations, the following hypothesis is developed:

H₀₍₁₎: There is no significant difference among the CSR policies and procedure in public and private sector organizations.

One sample t test is used and the results are presented in table 1 below.

Table 1. t test for Good Practices

Test Statistics						
	N	Mean	SD	SE		
Goof_pr_1	280	3.1536	.81297	.04858		
t Test result						
	Test Value = 2.5					
	t	df	Sig.	MD	95% Confidence Interval	
					Low	Up
Goof_pr_1	7.130	279	.000	.34643	.4421	.2508

Source: own elaboration.

The results indicate that respondents’ perception regarding the adoption of good CSR policies and procedures in public and private sector organizations (Goof_pr_1) was found to be statistically insignificant ($p > 0.05$). This means that the views of the respondents were unequal and with the positive t value we can also say that the respondents agree that the good CSR policies and procedure is followed by a selected organization (including Legal Compliance, Customer Relationships, good Partners relation, Good Working Community and improved Occupational Well-Being and Safety).

To measure the differences among the good policies and procedure as variable influencing CSR for the Policy and operational measure in public and private sector organization, the variable Goof_pr_1, representing the extent to which good CSR policies and procedures are followed by an organization, is a key dependent variable in this study as it captures the overall effectiveness of CSR implementation in practice. It encompasses crucial dimensions such as legal compliance, responsible customer and partner relationships, community engagement, and occupational health and safety, which together reflect how deeply CSR principles are embedded in organizational operations. This variable serves as a comprehensive indicator of responsible governance and sustainable management, allowing the study to assess whether various CSR dimensions translate into tangible organizational outcomes. By focusing on Goof_pr_1, the

study bridges CSR theory and managerial practice, highlighting the real-world impact of CSR initiatives on stakeholder trust, workplace well-being, and long-term sustainability. To analyze the independent variable that has impact over it, following hypothesis was developed:

H₀₍₂₎: There is no variable that significantly predict the good CSR policies and procedure in public and private sector organization.

To identify the key variables influencing CSR policies and procedures in public and private sector organizations, multivariate regression analysis was conducted using SPSS-24 software. Subsequently, differences in the selected variables between public and private sector organizations were examined, and the results are shown in table 2 below.

Table 2. Multiple regression analysis for Good Practices

Descriptive Statistics				
Particular	SPSS Name	Mean	SD	N
Good CSR policies and procedure is followed by our organization (including Legal Compliance, Customer Relationships, good Partners relation, Good Working Community and improved Occupational Well-Being and Safety)	Goof_pr_1	2.1536	.81297	280
Economic CSR played a prominent role in improving the effectiveness of policies and operational measures of CSR	Goof_pr_2	2.3357	1.26780	280
Ethical CSR played a prominent role in improving the effectiveness of policies and operational measures of CSR	Goof_pr_3	2.3500	1.03989	280
Philanthropic CSR played a prominent role in improving the effectiveness of policies and operational measures of CSR	Goof_pr_4	2.7714	1.12860	280
The influence of green trust on the environmentally friendly behaviors of employees	Goof_pr_5	3.2857	.96003	280
The direct and indirect impacts of legal corporate social responsibility on environmentally friendly behaviors among personnel in the accounting department	Goof_pr_6	2.3500	.95358	280
The company has policy that can boost carbon performance	Goof_pr_7	2.3679	1.02847	280

Table 2. Multiple regression...

Descriptive Statistics				
Particular	SPSS Name	Mean	SD	N
The stronger environmental regulation intensity has greater promotion in operational performance after the policy execution.	Goof_pr_8	2.8643	1.02100	280
Community-based environmental monitoring program and benefits surrounding communities	Goof_pr_9	1.6321	.96370	280
The government has an important role to play in promoting the adoption of CSR policies, which can lead to better socio-economic and environmental results	Goof_pr_10	2.0786	.92413	280
Ethical arguments or specific policies and programs addresses relationship between transparency and the performance of market and organizations	Goof_pr_11	2.5536	1.03556	280
The company focuses on promoting public debate and relations between individuals and organizations	Goof_pr_12	2.6321	1.12500	280

Source : own elaboration.

The descriptive statistics shown in table 2 present the mean and standard deviation values for variables representing good CSR practices. The average scores represent the perception of the respondents in connection to legal compliance, economic, ethical, and philanthropic CSR, environmental conduct, and regulatory impact. Among the variables, green trust and environmentally friendly conduct of the employees (Goof_pr_5) delivered the highest average, which indicates comparatively higher concurrence. On the contrary, the lowest mean was obtained in community-based environmental monitoring (Goof_pr_9), which meant low priorities. The difference in the value of standard deviation represents various degrees of agreement of the respondents. In summary, the table gives a preliminary impression on the perceptions of different CSR related practices at the organizational level.

Table 3. Correlations

		Goof_pr_1	Goof_pr_2	Goof_pr_3	Goof_pr_4	Goof_pr_5	Goof_pr_6	Goof_pr_7	Goof_pr_8	Goof_pr_9	Goof_pr_10	Goof_pr_11	Goof_pr_12
Pearson Correlation	Goof_pr_1	1.000	-.161	-.089	.101	-.056	-.107	-.029	.038	.022	-.045	.103	-.087
	Goof_pr_2	-.161	1.000	.207	.126	-.073	.018	.001	-.056	-.092	-.124	-.052	-.119
	Goof_pr_3	-.089	.207	1.000	.160	-.205	.053	.188	-.060	-.050	-.062	.076	.000
	Goof_pr_4	.101	.126	.160	1.000	.001	-.005	-1.43	.157	.071	.048	-.023	.035
	Goof_pr_5	-.056	-.073	-.205	.001	1.000	.027	-.154	.032	.106	.055	-.098	.051
	Goof_pr_6	-.107	.018	.053	-.005	.027	1.000	.117	.020	.039	.034	.003	-.007
	Goof_pr_7	-.029	.001	.188	-.143	-.154	.117	1.000	.027	-.084	.011	-.014	-.034
	Goof_pr_8	.038	-.056	-.060	.157	.032	.020	.027	1.000	.000	.011	-.074	.119
	Goof_pr_9	.022	-.092	-.050	.071	.106	.039	-.084	.000	1.000	.165	-.018	-.023
	Goof_pr_10	-.045	-.124	-.062	.048	.055	.034	.011	.011	.165	1.000	-.023	-.044
	Goof_pr_11	.103	-.052	.076	-.023	-.098	.003	-.014	-.074	-.018	-.023	1.000	.222
	Goof_pr_12	-.087	-.119	.000	.035	.051	-.007	-.034	.119	-.023	-.044	.222	1.000
Sig. (1-tailed)	Goof_pr_1	.	.003	.068	.046	.173	.038	.313	.262	.357	.228	.043	.073
	Goof_pr_2	.003	.	.000	.017	.111	.382	.492	.175	.062	.019	.193	.023
	Goof_pr_3	.068	.000	.	.004	.000	.188	.001	.160	.203	.149	.103	.499
	Goof_pr_4	.046	.017	.004	.	.494	.465	.008	.004	.119	.211	.349	.279
	Goof_pr_5	.173	.111	.000	.494	.	.324	.005	.295	.038	.178	.050	.197
	Goof_pr_6	.038	.382	.188	.465	.324	.	.025	.373	.257	.287	.482	.457
	Goof_pr_7	.313	.492	.001	.008	.005	.025	.	.325	.082	.428	.411	.283
	Goof_pr_8	.262	.175	.160	.004	.295	.373	.325	.	.499	.425	.107	.024
	Goof_pr_9	.357	.062	.203	.119	.038	.257	.082	.499	.	.003	.383	.352
	Goof_pr_10	.228	.019	.149	.211	.178	.287	.428	.425	.003	.	.350	.229
	Goof_pr_11	.043	.193	.103	.349	.050	.482	.411	.107	.383	.350	.	.000
	Goof_pr_12	.073	.023	.499	.279	.197	.457	.283	.024	.352	.229	.000	.
N	280	280	280	280	280	280	280	280	280	280	280	280	

Source: own elaboration.

The correlation shown in table 3 analyzes the causal relationships of the variables that reflect good CSR practices. Correlation coefficients are low to moderate in the majority of cases, which implies the existence of negligible multicollinearity and, as a hint, all the variables represent the different dimensions of CSR practices. There are some statistically significant correlations, including that between economic CSR and ethical CSR, transparency-related practices, and public engagement. The significant values support the fact that at traditional confidence levels few associations are of any meaning. The fact that this table confirms that the variables are suitable for the regression analysis is that since not all variables have high correlations, it will minimize the chances of redundancy and lack of stability in estimates of the parameters.

Table 4. Model Summary

Model	R	R2	Adjusted R2	SE	Change in				
					R2	F	df1	df2	Sig. F
1	.161 ^a	.026	.023	.80374	.026	7.443	1	278	.007
2	.203 ^b	.041	.034	.79898	.015	4.321	1	277	.039
a. Pre.: (Con), Goof_pr_2									
b. Pre.: (Con), Goof_pr_2, Goof_pr_4									

Source: own elaboration.

The model summary shown in table 4 presents the ability of the regression model employed to predict good CSR practices. Model 1 accounts 2.6 percent of the variation of the dependent variable and model 2 enhances the power of respectability to 4.1 percent, with the addition of an extra predictor. Though the R2 values are low, the significance level of the incremental change in R2 is high; thus, it means that the error variable added meaningfully to the model. In model 2, the standard error of estimate is marginally lower, implying that it fits the model better. On the whole, the table shows that the contribution of chosen CSR dimensions is statistically significant and little.

Table 5. ANOVA^a

Model		SS	df	MS	F	Sig.
1	Regression	4.808	1	4.808	7.443	.007 ^b
	Residual	179.588	278	.646		
	Total	184.396	279			
2	Regression	7.567	2	3.783	5.926	.003 ^c
	Residual	176.830	277	.638		
	Total	184.396	279			
a. DV: Goof_pr_1						
b. Pre.: (Con), Goof_pr_2						
c. Pre.: (Con), Goof_pr_2, Goof_pr_4						

Source : own elaboration.

The results of the ANOVA tests shown in table 5, determine the general importance of the regression models. In both model 1 and model 2, the F-statistics are found to be significant, implying that the models offer a better fit to what would have been offered by a model analysis with no predictors. In model 2, a larger regression sum of squares is also observed, and the value of F is significant, which proves the presence of philanthropic CSR inclusion in the model to increase its explanatory power. These findings support the application of a multiple regression analysis and justify the fact that the independent variables together elucidate the changes in good CSR practices with a degree of statistical acceptability.

Table 6. Coefficients

Model		Unst. Coefficients		Stan. Coefficients	t	Sig.	r			Coll. Stat	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tol	VIF
2	(Con)	2.173	.147		14.806	.000					
	Goof_pr_2	-.114	.038	-.177	-2.985	.003	-.161	-.177	-.176	.984	1.016
	Goof_pr_4	.089	.043	.123	2.079	.039	.101	.124	.122	.984	1.016
a. DV: Goof_pr_1											

Source: own elaboration.

The coefficients presented in table 6 show the contribution that the predictors make individually towards good CSR practices. Economic CSR (Goof_pr_2) has a negative coefficient, which is also statistically significant and thus inverted, whereas philanthropic CSR (Goof_pr_4) has a positive and significant effect. The beta values are standardized, which indicates the relative strength of the individual predictors. The values of tolerance and VIF are not too large, and this confirms that there is no multicollinearity. These results indicate that although philanthropic programs reinforce CSR activities, overemphasis on economic CSR can impair the effectiveness of CSR in general.

Table 7. Exclude Variables^a

Model	Beta In	t	Sig.	Partial r	Collinearity			
					Tol.	VIF	Min Tol	
2	Goof_pr_3	-.077 ^c	-1.270	.205	-.076	.939	1.065	.939
	Goof_pr_5	-.070 ^c	-1.185	.237	-.071	.995	1.005	.979
	Goof_pr_6	-.103 ^c	-1.752	.081	-.105	1.000	1.000	.984
	Goof_pr_7	-.012 ^c	-.194	.846	-.012	.979	1.021	.963
	Goof_pr_8	.009 ^c	.154	.878	.009	.970	1.031	.957
	Goof_pr_9	-.003 ^c	-.051	.959	-.003	.985	1.016	.974
	Goof_pr_10	-.074 ^c	-1.247	.214	-.075	.981	1.020	.967
	Goof_pr_11	.097 ^c	1.651	.100	.099	.997	1.003	.982
	Goof_pr_12	-.114 ^c	-1.936	.054	-.116	.983	1.017	.969
a. DV: Goof_pr_1								
b. Pre.: (Con), Goof_pr_2								
c. Pre.: (Con), Goof_pr_2, Goof_pr_4								

Source: own elaboration.

The excluded variables shown in table 7 illustrate the dimensions of CSR that were not observed in the final regression model since they did not have significant statistical values. Ethical CSR variables, environmental conduct, and regulatory levels, as well as the level of public involvement, failed to pass the inclusion criteria. The insignificant t-values and high tolerance values show that these variables on their own cannot explain good CSR practices as the selected predictors exist. This table reminds that the effect of not every dimension of CSR are the same and justifies the sparse specification of the final regression model.

Table 8. Collinearity Diagnostics

Model	Dim.	EV	CI	VP		
				(Con)	Goof_pr_2	Goof_pr_4
1	1	1.879	1.000	.06	.06	
	2	.121	3.945	.94	.94	
2	1	2.762	1.000	.01	.03	.02
	2	.170	4.028	.03	.83	.26
	3	.067	6.406	.96	.14	.72

a. DV: Goof_pr_1

Source: own elaboration.

The collinearity diagnostics shown in table 8 evaluate the existence of multiple collinearity between the predictors. The condition indices are less than 30, which is the critical level, and the type of variance is also distributed in the dimensions and not in a single component. This proves that the issue of multicollinearity is not an issue in the regression models. The stabilization and reliability of the estimates of the coefficients obtained guarantee the strength of regression result and justify the suitability of the empirical analysis.

CONCLUSION

Corporate Social Responsibility has a beneficial impact on financial performance, a relationship that can be understood through the perspectives of stakeholder and institutional theories, particularly for companies operating within a more stable and robust financial system. Instances akin to those of Indian companies, characterized by extended durations of intense political occurrences, a modest economy, and a tightly-knit community, are seldom found in the literature on corporate social responsibility. The regression results indicate that the model explains 3.4% of the variance (Adjusted $R^2 = 0.034$) in the dependent variable, i.e., the adoption of good CSR policies and procedures in public and private sector organizations (Goof_pr_1). The predictors included in the model are Goof_pr_2 and Goof_pr_4. The Model fit ANOVA is 5.926, which is significant at 0.003^c, meaning that the model is fit

to predict the future. The above results reveal that two variables – Economic CSR (Goof_pr_2) and Philanthropic CSR (Goof_pr_4) – play a significant role in improving the effectiveness of CSR policies and operational measures, and are effective predictors of the adoption of good CSR policies and procedures in public and private sector organizations.

The study showed that there is a positive relationship between Economic CSR and Philanthropic CSR, which strengthens the effectiveness of CSR actions taken by organizations. Economic CSR includes all measures that are linked to sustaining employee wages over the long term and supply fair dealings and social support, while philanthropic CSR includes activities such as charity and voluntary aid in social issues. This correlation becomes stronger in the Indian environment, where companies exist under economic instability, complex political framework, and high social interdependencies. Moreover, the study highlights that CSR practices in India are influenced not only by regulatory mandates, such as the Companies Act, 2013, but also by institutional pressures and stakeholder expectations. These factors compel organizations, both in the public and private sectors, to institutionalize CSR as a core function rather than treat it as a peripheral or symbolic gesture.

The research identifies a key area of improvement: communication and reporting of CSR activities. Indian companies file under reports or label their CSR information inadequately despite regulatory enforcement, thus disallowing stakeholders from gauging impact or working towards stated organizational values. Measures aimed at simplifying the presentation, accessibility, and transparency of CSR data would trigger trust building, corporate reputation, as well as the achievement of wider financial and social goals.

In the future, research can try to find out the long-term consequential effect in terms of revenues generated from CSR activities in various industries and regions within India, especially comparing public versus private sector organizations. There is also scope for studying digital transformation of CSR reporting, and how they enhance transparency and stakeholder trust. Additionally, CSR needs could be studied in terms of its bearing on employee engagement, brand perception, and investor behavior, while CSR governance frameworks should be evaluated in terms of their efficacy to ensure compliance and impact. Such cross-country comparisons on CSR, especially between emerging economies, would enrich the knowledge of CSR's strategic role in divergent institutional settings.

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