



Impact of Corporate Social Responsibility Activity on Profitability in Indian Telecom Sector

Sanjeev Kumar, Dr. Rakesh Kumar

**Author, MBA, Centre for Management Studies,*

Madan Mohan Malaviya University of Technology, Gorakhpur, 273010, UP, India.

***Co-author, Assistant Professor, Centre for Management Studies,*

Madan Mohan Malaviya University of Technology, Gorakhpur, 273010, UP, India.

Abstract

The study examined the effect of corporate social responsibility on the profitability of telecommunication sector in India. Companies are investing more in CSR activities as the increase of competition in the emerging markets. Organizations are stress more on CSR applications in order to make better workforce that will help to achieve their competitive advantage as well as their long term goals. Active participation in socially beneficial programs provides extra advantage to the company. Furthermore, this study also examines the motives and what factors influenced their concentration of involvement in CSR. One of the basic motivating factors is that the company belief that CSR can increase long term profit and sustainability of the company as well as helps to build good reputation of the organization. The study used quantitative methodology to achieve its purpose. The data is gathered from the 5 mobile telecommunication companies operating in India. The companies selected include AIRTEL, VODAFONE, IDEA, RELIANCE JIO, and BSNL. Descriptive as well as statistical tools were used in the data analysis. The study found that the performance of the companies CSR practices was high in the areas of community support, environmental issues and ethics. The literature review support that companies engaged in CSR for various reasons including enhancing the reputation of the company, for positive image and branding of the company, to gain some competitive advantage, to improve business performance etc. Creating a good image is the main challenge of the company in undertaking their CSR initiatives and practices. By focusing on the current boom of mobile operators and increasing subscribers in India, this paper further analyzes what has been currently practiced as part of CSR activities and what general people think and evaluate these practices. This study suggests that a real sharing of revenue earned from these telecom industries through CSR activities may contribute to the welfare of the society.

Keywords: *Corporate Social Responsibility, Telecom industries.*