

# Exploring the Impact of Influencing factors of Corporate Social Responsibility on Organic Farming with Reference to Mehsana and Khambhat District of Gujarat State

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## Abstract

This study delved into the relationship between Corporate Social Responsibility (CSR) and organic farming, specifically focusing on Mehsana and Khambhat districts in Gujarat, India. The research explores the impact of influential factors associated with CSR initiatives on the perspectives and practices of farmers. The study adopts a descriptive cross-sectional research design, employing a non-probabilistic convenient sampling technique with a sample size of 100 farmers. Data analysis is conducted using non-parametric tests, namely the Mann Whitney U test and Kruskal Wallis Test. These statistical tools are selected to accommodate the non-normal distribution of data and provide robust insights into the perceived impact of CSR on organic farming practices. The choice of a non-probabilistic convenient sampling approach acknowledges practical constraints while aiming to capture a representative snapshot of the farming community in the selected districts. The findings revealed that farmers, across various socio-demographic profiles, exhibit diverse opinions regarding the crucial factors constituting CSR that significantly influence organic farming. Through the application of Mann Whitney U test and Kruskal Wallis Test, the study identified differences in perceptions among farmers based on factors such as gender, age, educational qualification, annual income, and occupation. The outcomes highlighted the importance of tailoring CSR initiatives to suit the diverse needs and perspectives of farmers in Mehsana and Khambhat districts.

**Key Words:** Corporate Social Responsibility, Organic farming, Adoption of Organic Farming Practices, Improvement in Yield and Crop Quality and Enhanced Socio-Economic Well-being of Farmers.

## 1. Introduction

Corporate Social Responsibility (CSR) has emerged as a pivotal aspect of sustainable business practices, transcending conventional profit-oriented objectives to encompass a broader commitment to social and environmental welfare. In the context of agriculture, the integration of CSR with organic farming represents a significant nexus that aligns corporate interests with the imperative of fostering environmentally friendly and socially responsible agricultural practices. This study undertakes an in-depth exploration into the Impact of Influencing Factors of Corporate Social Responsibility on Organic Farming, with a specific focus on the agrarian landscapes of Mehsana and Khambhat districts in Gujarat, India. Gujarat, with its rich agricultural heritage, stands as a focal point for investigating the intricate interplay between corporate endeavors and

organic farming. The burgeoning awareness of environmental sustainability and the imperative to address socio-economic challenges within rural communities underscore the need to scrutinize the impact of CSR initiatives on the organic farming landscape in these districts. Mehsana and Khambhat, each with unique agricultural characteristics, serve as representative microcosms for assessing the varying influences of CSR on farming practices. The burgeoning global demand for organic produce, coupled with increasing environmental concerns, has led corporations to reevaluate their roles in promoting sustainable agricultural practices. The study aims to unravel the intricate web of factors that constitute effective CSR initiatives and their subsequent impact on the organic farming practices adopted by local farmers. This investigation holds profound relevance as it seeks to inform corporate strategies, governmental policies, and community

engagement programs, ensuring a harmonious alignment of economic interests with ecological and social well-being.

## 2. Literature Review

**Anselmsson, J., & Johansson, U. (2007)** mentioned that the objective of this research was to improve comprehension of the importance that customers attributed to various facets of corporate social responsibility (CSR) while assessing and buying supermarket brands and goods. The study expanded upon the current body of research and ideas on corporate social responsibility (CSR) and marketing, as well as the literature concerning consumers' views of CSR-related matters. The Swedish empirical research consisted of two parts: an initial exploratory stage that utilized qualitative methods, and in-store face-to-face interviews. These interviews aimed to identify significant consumer attitude-based features of social responsibility within a supermarket environment. The second quantitative component relied on surveys that delineated the positions and performances of supermarket brands across various criteria. The findings indicated that there were three main attitude-based aspects for positioning corporate social responsibility (CSR), and that retail companies had the ability to establish a CSR image in comparison to well-known national brands. Moreover, this picture was shown to have a significant influence on customers' purchasing intention. The same applied to retail companies that imitated or replicated existing successful brands. The facet of corporate social responsibility (CSR) that had the most significant effect on the overall CSR image was product responsibility, whereas human responsibility had the largest influence on consumer purchase intentions. The research acknowledged that environmental responsibility, which was often considered a key aspect of corporate social responsibility (CSR), had the least influence on both the overall CSR image and purchasing intentions. The scope of this research was restricted to the setting of Sweden and a singular buying scenario. Future research endeavors might have included the validation of the factor structure, examination of the correlation between corporate social responsibility (CSR) and consumer preference, and exploration of the potential for market positioning in other countries, particularly those that were more advanced in terms of well-established CSR frameworks and the availability of health/organic goods (e.g., the UK). Implemented a postal survey enabled the use of lengthier and assessed measuring scales that were previously employed in organic food research. This research provided evidence that store brands were clearly differentiated based on factors other than price, such as the notion of Corporate Social Responsibility (CSR), as shown

in this case. This connection had not yet been recognized outside the borders of the United Kingdom. The discovery that CSR had a less distinct correlation with the anticipated aspect of environmental responsibility brought fresh insights to this area of study. The study yielded a more streamlined explanation of the fundamental aspects of CSR, consisting of three dimensions instead of the often found six dimensions in the literature.

**Nilsson, J. (2008)** described that this article focused on the expanding sector of retail socially responsible investing (SRI) profiled mutual funds. Only a small number of prior research investigated the ultimate consumer of socially responsible investment (SRI) profiled mutual funds. Hence, the aim of this study was to investigate the influence of various pro-social, financial performance, and socio-demographic factors on SRI behavior, with the objective of elucidating the reasons behind investors' varying allocations of their investment portfolio to SRI profiled funds. A study was conducted on 528 private investors using ordinal logistic regression analysis to examine the relationship between pro-social characteristics and investment in SRI profiled funds. The findings indicated that two out of the three pro-social variables had a favorable influence on the amount of investment made by the consumers. Furthermore, evidence indicated that those who believed that the financial returns of socially responsible investing (SRI) were equivalent to or superior to traditional mutual funds were more likely to have allocated a larger percentage of their investment portfolio to SRI profiled mutual funds, suggesting a lack of altruistic motivation. Moreover, the findings indicate that women and investors with higher levels of education were inclined to allocate a larger share of their investment portfolio towards socially responsible investing (SRI). In summary, the results suggested a correlation between individuals' financial views and their pro-social attitudes with regards to their engagement in socially responsible investing (SRI).

**Tsai, P. H., et.al. (2020)** mentioned that this research enhanced existing literature by developing a model to assess the impact of using green marketing strategies on customers' purchase intentions in relation to brand image. Initially, the decision-making trial and evaluation laboratory (DEMATEL) approach was used to investigate the reciprocal impact on evaluation indicators. Subsequently, an influential network relation map (INRM) of indicators and sub-indicators was established using the obtained outcomes. The DEMATEL approach was integrated with the analytic network process to provide a DANP method for determining the weights of each indication and sub-indicator. The Vlse

Kriterijumska Optimizacija Kompromisno Resenje (VIKOR) approach, which was updated, was used to assess the overall performance of each indicator and sub-indicator based on empirical data. Ultimately, the findings have been condensed and recommendations have been put forth. The results of this research were used as a guide for companies aiming to enhance the measurable impact of their environmentally-friendly marketing tactics by boosting customers' intentions to make purchases.

### **3. Research Methodology**

#### **3.1. Research Problem**

The study aimed to investigate the effectiveness and impact of Corporate Social Responsibility (CSR) initiatives on the adoption and sustainability of organic farming practices in Mehsana and Khambhat districts of Gujarat. Specifically, the research seeks to understand the key factors that influence the success or hindrance of CSR programs related to organic farming and assess their overall impact on the agricultural, environmental, and socio-economic dimensions of the targeted communities.

#### **3.2. Objectives of the Study**

The objectives of this particular study have been mentioned below:

- To find out the difference of opinion among the farmers for checking the impact of corporate social responsibility on their organic farming in the Mehsana and Khambhat district of Gujarat State.
- To check the significant association between the opinion of the different socio – demographic profile of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.

#### **3.3. Hypothesis of the Study**

The Hypothesis of the study for exploring the impact of Influensive factors of corporate social responsibility on the organic farming in Mehsana and Khambhat district of Gujarat State have been mentioned below:

- To find out the significant difference of opinion among the gender of the farmers of Mehsana and Khambhat district of Gujarat state towards the different factors for influencing the corporate social responsibility towards the organic farming.
- To find out the significant difference of opinion among the age of the farmers of Mehsana and Khambhat district of Gujarat state towards the

different factors for influencing the corporate social responsibility towards the organic farming.

- To find out the significant difference of opinion among the educational qualification of the farmers of Mehsana and Khambhat district of Gujarat state towards the different factors for influencing the corporate social responsibility towards the organic farming.
- To find out the significant difference of opinion among the occupation of the farmers of Mehsana and Khambhat district of Gujarat state towards the different factors for influencing the corporate social responsibility towards the organic farming.
- To find out the significant difference of opinion among the annual income of the farmers of Mehsana and Khambhat district of Gujarat state towards the different factors for influencing the corporate social responsibility towards the organic farming.
- To check the significant association between the opinion of the gender of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.
- To check the significant association between the opinion of the age of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.
- To check the significant association between the opinion of the educational qualification of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.
- To check the significant association between the opinion of the occupation of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.
- To check the significant association between the opinion of the annual income of farmers and the scale of farms they are having in the Mehsana and Khambhat district of Gujarat state.

#### **3.4. Limitations of the Study**

The limitations of the study for exploring the impact of Influensive factors of corporate social responsibility on the organic farming in Mehsana and Khambhat district of Gujarat State have been mentioned below:

- The study's sample size might be limited, potentially impacting the generalizability of the findings to a broader population of farmers in the districts or beyond. The results may not fully



represent the diversity within the farming community.

- The use of a non-probabilistic convenient sampling technique could introduce sampling bias. The respondents who participated may not be fully representative of the entire farming population, leading to potential distortions in the results.
- The study may be subject to temporal constraints, capturing only a snapshot of the CSR initiatives and their impact. Long-term effects and changes over time may not be adequately captured within the study period.
- Mehsana and Khambhat districts may exhibit unique socio-economic, cultural, and environmental characteristics. The findings might not be directly applicable to other regions, limiting the external validity of the study.

### 3.5. Significance of the Study

The significance of the study for exploring the impact of Influensive factors of corporate social responsibility on the organic farming in Mehsana and Khambhat district of Gujarat State have been mentioned below:

- The study addressed the critical issue of agricultural sustainability by examining how CSR

### 4. Data Analysis and Interpretation

**Table 1: Normality & Reliability for the Factors of Perception of Consumers for using the Digital Payment System in India**

	Tests of Normality						Reliability Statistics
	Kolmogorov-Smirnova			Shapiro-Wilk			
	Statistic	df	Sig.	Statistic	df	Sig.	
Adoption of Organic Farming Practices	.488	99	0.000	.610	99	0.000	Cronbach Alpha (0.982)
Improvement in Yield and Crop Quality	.472	99	0.000	.145	99	0.000	
Enhanced Socio-Economic Well-being of Farmers	.410	99	0.000	.249	99	0.000	
a. Lilliefors Significance Correction							

(Sources: Research Result)

**H0:** Factors are normally distributed for checking the impact of Corporate Social Responsibility on the Organic farming in Mehsana and Khambhat District of Gujarat State.

**H1:** Factors are normally distributed for checking the impact of Corporate Social Responsibility on the Organic farming in Mehsana and Khambhat District of Gujarat State.

initiatives can influence organic farming practices. Understanding the impact on sustainability is essential for the long-term health of the agricultural sector and the environment.

- Corporations played a vital role in shaping sustainable practices. The study contributes to the understanding of how CSR initiatives can be strategically designed to promote and support organic farming, reflecting a broader commitment to environmental responsibility.
- CSR initiatives often extended beyond immediate business concerns to contribute to community development. The study explores how such initiatives impact the socio-economic fabric of communities in Mehsana and Khambhat, providing insights into the broader implications for the well-being of farmers.
- The study may reveal opportunities for educational initiatives aimed at farmers. By identifying the factors influencing organic farming practices, educational programs can be tailored to address specific needs, promoting knowledge transfer and skill development among the farming community.

From the above table for the Normality and Reliability for the checking the impact of Corporate Social Responsibility on the Organic farming in Mehsana and Khambhat District of Gujarat State it has been noted that Both normality tests i.e. Kolmogorov-Smirnov and Shapiro-Wilk indicated that the data for the factor "Adoption of Organic Farming Practices" is not normally distributed i.e. Sig value for both

the test are 0.000 which is less than 0.05 and hence it has been fall into the rejection region of the Null Hypothesis and due to which it has been defined that the data significantly deviates from a normal distribution. In Addition to that, the

value of Cronbach Alpha 0.982 which is greater than 0.7 which means that all the statements are highly reliable for conducting the study on the further level.

**Table 2: Significant Difference of Opinion among the Farmers for checking the Impact of Corporate Social Responsibility on their Organic farming in Mehsana and Khambhat District of Gujarat State**

Factors for checking the Impact of Corporate Social Responsibility on the Organic Farming	Sig Value	Significant Difference or not
Gender * Adoption of Organic Farming Practices	0.000*	Significant Difference
Gender * Improvement in Yield and Crop Quality	0.000	Significant Difference
Gender * Enhanced Socio-Economic Well-being of Farmers	0.323*	No Significant Difference
Age * Adoption of Organic Farming Practices	0.020*	Significant Difference
Age * Improvement in Yield and Crop Quality	0.001*	Significant Difference
Age * Enhanced Socio-Economic Well-being of Farmers	0.001*	Significant Difference
Educational Qualification * Adoption of Organic Farming Practices	0.000*	Significant Difference
Educational Qualification * Improvement in Yield and Crop Quality	0.000*	Significant Difference
Educational Qualification * Enhanced Socio-Economic Well-being of Farmers	0.005*	Significant Difference
Annual Income * Adoption of Organic Farming Practices	0.000*	Significant Difference
Annual Income * Improvement in Yield and Crop Quality	0.010*	Significant Difference
Annual Income * Enhanced Socio-Economic Well-being of Farmers	0.001*	Significant Difference
Occupation * Adoption of Organic Farming Practices	0.000*	Significant Difference
Occupation * Improvement in Yield and Crop Quality	0.020*	Significant Difference
Occupation * Enhanced Socio-Economic Well-being of Farmers	0.013*	Significant Difference

(Sources: Research Output)

**H01:** There is no significant difference of opinion among the socio demographic profile of the farmers and the factors affecting the impact of Corporate Social Responsibility on the Organic Farming in Gujarat State.

**H11:** There is a significant difference of opinion among the socio demographic profile of the farmers and the factors affecting the impact of Corporate Social Responsibility on the Organic Farming in Gujarat State.

From the above table for the significant difference of opinion among the socio demographic profile of the farmers and the factors affecting the impact of Corporate Social Responsibility on the Organic Farming in Gujarat State it has been noted that with respect to the gender to Adoption of Organic Farming Practices and Improvement in Yield and Crop Quality: Significant Difference the P value for both are 0.000 which is less than 0.05 which indicates that they are falling under the rejection region of Null Hypothesis and hence there is significant difference of opinion among the gender of the farmers and the factors affecting the impact of Corporate Social Responsibility on the Organic Farming in Gujarat State. With respect to the age to Adoption of

Organic Farming Practices and Improvement in Yield and Crop Quality and Enhanced Socio-Economic Well-being of Farmers: Significant Difference the P value for all are 0.020, 0.001 and 0.001 respectively which are less than 0.05 which indicates that they are falling under the rejection region of Null Hypothesis and hence there is significant difference of opinion among the age of the farmers and the factors affecting the impact of Corporate Social Responsibility on the Organic Farming in Gujarat State. Similarly in terms of the educational profile and all the three factors for checking the impact of corporate social responsibilities are having their p values 0.000, 0.000 and 0.005 respectively which makes the significant difference of opinion towards it. Similarly in terms of the Occupational profile and all the three factors for checking the impact of corporate social responsibilities are having their p values 0.000, 0.020 and 0.013 respectively which makes the significant difference of opinion towards it and for the Annual Income profile and all the three factors for checking the impact of corporate social responsibilities are having their p values 0.000, 0.010 and 0.001 respectively which makes the significant difference of opinion towards it.

**Table 3: Significant Association between the Socio Demographic profile Farmers and the Size of farms they are having in the Mehsana and Khambhat District of Gujarat State**

Size of Farm	Gender	Age	Education Qualification	Annual Income	Occupation
<b>Chi Square P Value &lt; 0.05 – Significant Association</b>					
<b>Small Farm</b>	0.000*	0.008*	0.413	0.661	0.002*
Sig or not	Significant	Significant	Not Significant	Not Significant	Significant
<b>Medium Farm</b>	0.048*	0.008*	0.043*	0.001*	0.000*
Sig or not	Significant	Significant	Significant	Significant	Significant
<b>Large Farm</b>	0.010*	0.000*	0.001*	0.000*	0.001*
Sig or not	Significant	Significant	Significant	Significant	Significant

(Sources: Research Output)

**H02:** There is no significant association between the sociodemographic profile of the farmers and the size of the farms they are having in the Mehsana and Khambhat District of Gujarat State.

**H12:** There is a significant association between the sociodemographic profile of the farmers and the size of the farms they are having in the Mehsana and Khambhat District of Gujarat State.

The table presents the results of a chi-square test examining the association between the socio-demographic profiles of farmers (gender, age, education qualification, annual income, and occupation) and the size of farms (small, medium, and large) in Mehsana and Khambhat districts of Gujarat.

In the case of Small Farm: The P values for the Gender, Age and Occupation are 0.000, 0.008, 0.002 respectively which are falling into the rejection region of null hypothesis i.e. less than 0.05 hence there is a significant association between the small size farmers and their socio-demographic profile for checking the impact of Corporate social responsibility and their impact of Organic farming.

In the Case of Medium Farm: The P values for the Gender, Age, Educational Qualification, Annual Income and Occupation are 0.048, 0.008, 0.043, 0.001 and 0.000 respectively which are falling into the rejection region of null hypothesis i.e. less than 0.05 hence there is a significant association between the medium size farmers and their socio-demographic profile for checking the impact of Corporate social responsibility and their impact of Organic farming.

In the Case of Large Farm: The P values for the Gender, Age, Educational Qualification, Annual Income and Occupation are 0.010, 0.000, 0.001, 0.000 and 0.001

respectively which are falling into the rejection region of null hypothesis i.e. less than 0.05 hence there is a significant association between the large size farmers and their socio-demographic profile for checking the impact of Corporate social responsibility and their impact of Organic farming.

### Findings, Conclusions and Suggestions of the Study

The results suggested that demographic factors such as gender, age, educational qualification, annual income, and occupation significantly influence farmers' opinions on the impact of CSR on various aspects of organic farming. Understanding these differences is crucial for tailoring CSR initiatives to address specific needs and perceptions within diverse demographic groups in Mehsana and Khambhat districts of Gujarat. In terms of significant associations between the size of farms and various socio-demographic factors such as gender, age, education qualification, annual income, and occupation. This information is valuable for understanding the demographic composition of farmers with different farm sizes in Mehsana and Khambhat districts.

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