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# EFFECT OF CORPORATE SOCIAL RESPONSIBILITIES ON WOMEN BOARD OF DIRECTORS IN BOARD ROOMS OF MECHANICAL ENGINEERING INDUSTRIES

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## ABSTRACT

*Women on board of corporate board” has garnered so much interest in recent year after amendment of new act in Company Act 2013. The number of India’s listed companies lacking women board members. The composition of board influences the corporate culture. SEBI administer of having not less than one woman executive on leading group of every single recorded organization have changed the Indian situation of board creation. But still many companies are failing to put women on their board of directors. Hence the study is undertaken with the objective of study on effect of Corporate Social Responsibilities of Women Board of Directors in the mechanical engineering industries Board room. The key literature on CSR and women participation and contribution to mechanical engineering industries were reviewed. Primary data was collected from a sample of 182 respondents using convenient sampling and questionnaire survey in the study area. This study measures the CSR in terms of CSR and Women Directors, Women Directors on Boar , and Board /Gender Diversity in the different industrial atmospheare. Findings revealed that the Women Directors on Board has a significant impact on corporate social responsibility of mechanical engineering industries.*

**Keywords:** Mechanical Engineering Industries, Corporate Social Responsibility, Women Board of Directors, Board Room.

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## 1. INTRODUCTION

India has made progress at an outstanding tempo over the previous few decades in the fields of schooling, health offerings, infrastructure, business and generation. India is as yet battling a few difficulties going back to the pre-freedom or British India, for example, the populace blast, destitution and imbalance. As indicated by a Catalyst Report (2012a), women constitute 48.5 percent of the overall public of India. The sex crevice during childbirth is 100 young women for each 112 young men conceived. This crevice is even more extensive in a few states and districts. The sexual orientation gap, for all ages, is 100 women for each 108 men. Of the populace with ages of 15 years or more, only 47.8 percent of women were educated contrasted with 73.4 percent of men. There is male strength in enlistment in higher instructive degrees with women enlistment lying at a low 38.3 percent. Indian commonwealth is dealt with to be the most convoluted one. Our constitution cherishes with the fundamental decide that there ought not be imbalance which is tireless in the general public. Dominatingly disparity exists between people on the premise of sex. Aside from sex the others would incorporate standing, ideology, religion and so on. Human neglect to treat other human at standard and above all else there proceeds with a circumstance that destruction of such sexual orientation disparity is exceptionally unavoidable in a nation like India. Mechanical engineering enterprises were working for social integrity and provide the common workplace to the all their workers without any partiality (Vettriselvan R., Sathya M., & Velmurugan T. 2018). Balance must be kept up even in livelihood open doors. The point is to bring issues to light of sexual orientation differences at board level as a business issue and urge business pioneers to consider the structures of their sheets so they may all the more precisely mirror the commercial centers and partner that they serve. Mechanical engineering enterprises were facing problems in terms of making productivity and profitability (Vettriselvan R., Sathya M., & Velmurugan T. 2018). Mechanical engineering profession itself meant for male gender due to the hard in nature and also difficult tasks. Mechanical engineering jobs were mostly associated with males and womens participation is very less in this area. More, notably the effectiveness of boards of directors and the composition of boards with particular attention to the gender diversity and exploring women's participation on Board of Directors of mechanical engineering industries.

## 2. STATEMENT OF THE PROBLEM

From a human capital point of view, women constitute 48 percent of the number of inhabitants in India and their cooperation in advanced education has been expanding. Be that as it may, their nearness in senior authority groups and in sheets of organizations, in any case, has not been sufficiently huge. Having a sexual orientation equalization board helps the organizations enhance the board quality as women bring assorted, aptitude set, experience and view focuses. This prompts better basic leadership and better comprehension of purchaser needs. Women characteristics speak to included quality. Women are facing lot of problem to fulfil their basic health needs in the work place (Vettriselvan R., & Ruben Anto., 2018). The awareness of women in directorships are low to the point that there is a sensible case for amounts. The late Companies Bill 2012 unequivocally accommodates no less than one lady to be available on the sheets of a class of organizations that is to be reported. Because of social and social standards, there is a lack of female ability in India at the most elevated amounts. To comprehend the potential explanations for the spilling pipelines in a developing nation like India, one must comprehend the pschyo-social environment that impacts the progression of women officials all through their vocations. At the beginning, there is a littler rate of women entering the workforce contrasted with men, however the vast majority of the women, similar to men, begin driven. The absence of an empowering situation at the work environment the

trouble of reentering the workforce after a period spent away on maternity leave, the absence of good examples and the absence of an adaptable workplace go about as hindrances. Mechanical engineering enterprises were engaged less women as a manforce and also women participation in the management as a board of member and decion making authority of these industries were very less. Hence, this study is tries to understand the role of women in mechanical engineering industries board and their influence in decision making power especially in corporate social responsibility.

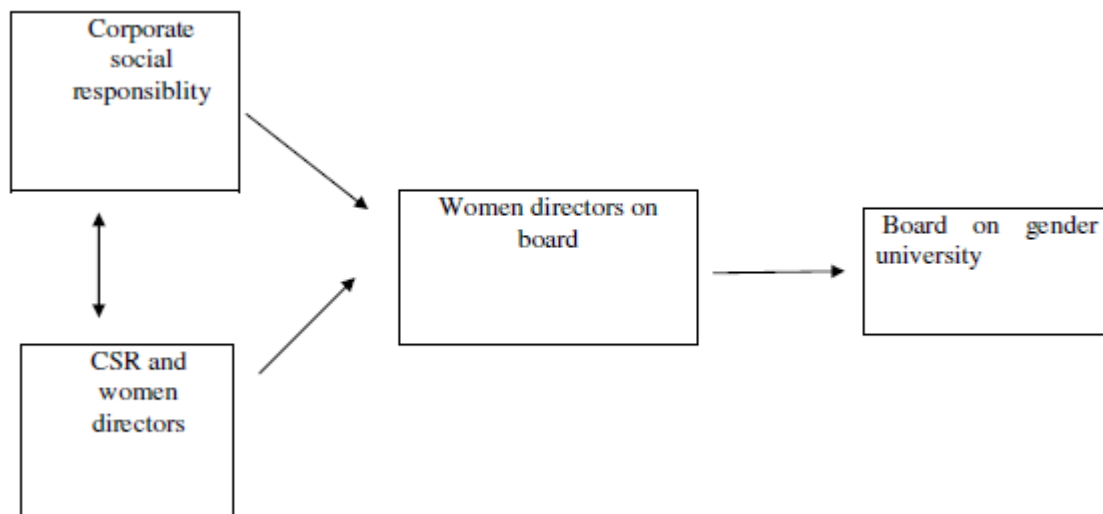
### 3. OBJECTIVES OF THE STUDY

- To study on effect of Corporate Social Responsibilities of Women Board of Directors in mechanical engineering industries Board Room.
- To understand the decision making power of mechanical engineering industries women board of directors
- To analyze the effectiveness of women board of directors in corporate social responsibilities of mechanical engineering industries.

### 4. REVIEW OF LITERATURE

Emilia Yaroson and Gloria Giwa (2016), Although women in Nigeria are confronted with sex separation and stereotyping which infrequently may influence their capacity to completely add to corporate methodology choices, there are however an expanding representation of women on corporate sheets in the nation. In this paper we along these lines attempt to inspect the impact women as governing body have on corporate social capable (CSR) choices for aggregates in Nigeria over a period from 2005 - 2014. Our conviction is that sex differences will expand firms' socially dependable practices. The discoveries from our investigation legitimize our suggestion of a measurably noteworthy relationship between female directors on a corporate board and corporate social obligation choices as spoke to by magnanimous giving. In any case, the quantity of women on board may not surpass two as this will prompt bigger board sizes and struggle of rules. The concentrate accordingly suggests that more impression of sexual orientation comprehensive authority ought to be grasped by administration and government alike on the off chance that they are to tap the advantages connected with corporate social obligation. Eunjung Hyun , Daegyung Yang , Hojin Jung and Kihoon Hong (2016), A developing group of examination proposes that having more women in the meeting room prompts better corporate social obligation (CSR) execution. Be that as it may, a lot of this work sees the CSR-improving impact of women executives as to a great extent driven by their ethical introductions and seldom considers other hidden instruments. Besides, less investigated are the firm-particular conditions under which such CSR-advancing parts of female directors may be performed progressively (or less) adequately. In this paper, we look to extension this crevice in the writing by (1) proposing an extra record for the positive impact of female.

## 5. CONCEPTUAL FRAMEWORK



**Figure 1** Conceptual frame work

## RESEARCH METHODOLOGY

The proposed relationship between Corporate Social Responsibility, CSR and Women Directors, Women Directors on Board, and Board /Gender Diversity was tested based on 182 respondents. The sample was drawn from Women Board of Directors population. The scale was developed based on unstructured interview with managers and literature view. The multiple item scales were assessed by calculating the Cronbach Alpha Coefficient. These multiple item measures were also factor analyzed to understand the items loading on each factor. LISREL software was used for testing relationship in the proposed model. The proposed structural model for this research has two exogenous (independent) constructs and one endogenous (dependent) construct. The exogenous constructs are Corporate Social Responsibilities and Corporate social responsibility and Women Directors. Endogenous construct Women Directors on Board and Board or Gender Diversity. SEM (Structural Equation Modeling) was used to analyze the data to fulfil the study objectives.

## 6. STRUCTURAL EQUATION MODELLING (SEM)

The observed, endogenous variables were:

- Women Directors on Board.
- Board or Gender Diversity.

The observed, exogenous variables were:

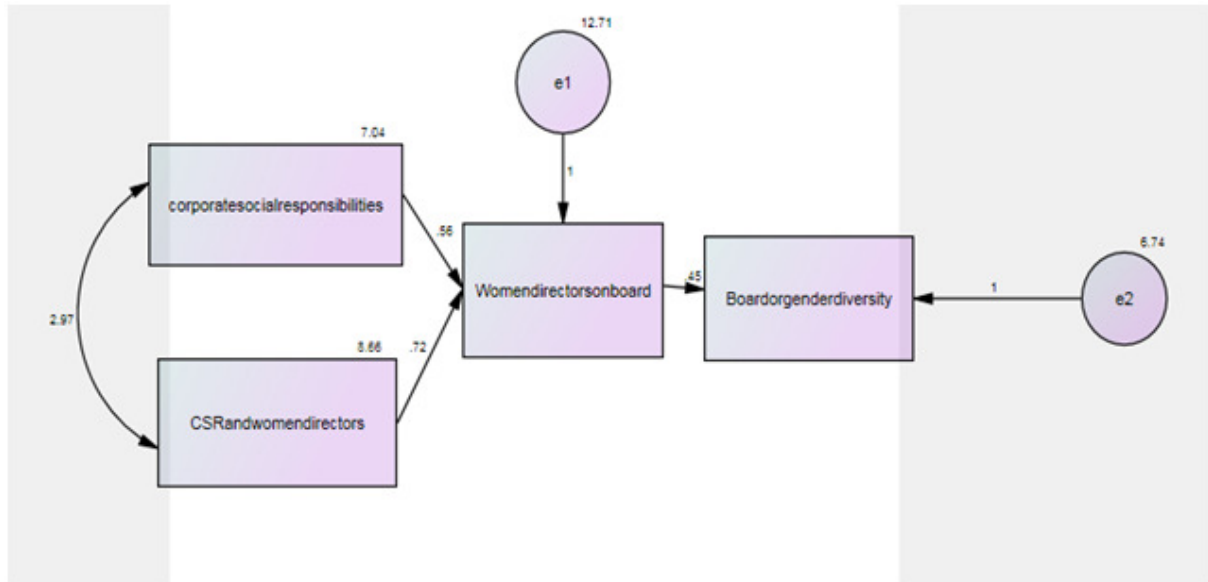
- Corporate Social Responsibilities.
- Corporate social responsibility and Women Directors.

The unobserved, exogenous variables were:

- e1 (error term for Women Directors on Board).
- e2 (error term Board or Gender Diversity).

**Variable counts (Group number 1)**

- Number of variables in model: 6
- Number of observed variables: 4
- Number of unobserved variables: 2
- Number of exogenous variables: 4
- Number of endogenous variables: 2



**Figure 2** SEM Path Analysis

Source: Primary Data.

**Table 1** SEM Path Analysis

Path	UC	SC	p value
Women Directors on Board<- Corporate Social Responsibilities	0.559	0.108	0.893
Women Directors on Board<-corporate social responsibility and Women Directors	0.722	0.097	***
Board or Gender Diversity<- Women Directors on Board	0.446	0.041	***

Source: Primary Data.

**Research Question 1 (RQ1):** Does Corporate Social Responsibilities have an effect on Women Directors on Board?

**H<sub>01.1</sub>:** Corporate Social Responsibilities has no effect on Women Directors on Board.

**Analysis:** It can be seen from Table 1 that the coefficient of Corporate Social Responsibilities being 0.108 represents the effect of Corporate Social Responsibilities of Women Directors on Board holding other variables as constant. The p value is significant at the 0.1% level and therefore the null hypothesis is rejected.

**Discussion:** The positive coefficient implies that for every 0.108 unit-increase in Corporate Social Responsibilities, there will be 1 unit-increase in Women Directors on Board. Therefore, Corporate Social Responsibilities has a positive effect on Women Directors on Board.

**Research Question 2 (RQ2):** Does CSR and Women Directors have an effect on Women Directors on Board?

**H<sub>01.2</sub>:** corporate social responsibility and Women Directors has no effect on Women Directors on Board.

**Analysis:** It can be seen from Table 2 that the coefficient of corporate social responsibility and Women Directors being 0.097 represents the effect of corporate social responsibility and Women Directors on Women Directors on Board, holding other variables as constant. The p value is significant at the 0.1% level and therefore the null hypothesis is rejected.

**Discussion:** The positive coefficient implies that for every 0.097 unit-increase in corporate social responsibility and Women Directors, there will be 1 unit-increase in Women Directors on Board. Therefore, corporate social responsibility and Women Directors has a positive effect on Women Directors on Board.

**Research Question 3 (RQ3):** Does Women Directors on Board have an effect on a Board or Gender Diversity?

**H<sub>01.3</sub>:** Women Directors on Board has no effect on a Board or Gender Diversity.

**Analysis:** It can be seen from Table 2 that the coefficient of Women Directors on Board being 0.041 represents the effect of Women Directors on Board on Women Directors on Board, holding other variables as constant. The p value is significant at the 0.1% level and therefore the null hypothesis is rejected.

**Discussion:** The positive coefficient implies that for every 0.041 units-increase in Women Directors on Board, there will be 1 unit-increase in Women Directors on Board. Therefore, Women Directors on Board has a positive effect on Women Directors on Board.

**Model Fit Indices Summary:** The important fit indices are presented in Table 2

**Table 2** Major Model Fit Indices Summary

Parameters	Acceptable values for Good Fit	Research Model values
GFI	>0.9	0.983
AGFI	>0.9	0.914
CFI	>0.9	0.980
RMSEA	<0.06	0.011
RMR	<0.10	0.033

Source: Primary Data, SPSS AMOS output, Haier et al. (2009); Hooper et al. (2008); Steiger (2007); Hu and Bentler (1999).

The Goodness of Fit index (GFI) value was 0.983, Adjusted Goodness of Fit Index (AGFI) value was 0.914 and Comparative Fit index (CFI) value was 0.980. All these values were greater than 0.9 indicating a very good fit. It was found that Root Mean Square Error of Approximation (RMSEA) value was 0.011 (lesser than 0.06) and Root Mean Square Residual (RMR) value was 0.033 (lesser than 0.1).

**Discussion:** Good fit exists for research model.

## 7. CONCLUSION

Corporate social responsibility (corporate social responsibility) has become one of the major concerns for many companies and their managers. Such a trend is well evidenced by the fact that numerous for-profit organizations now regularly report a wide array of social and environmental initiatives that they have taken to improve their corporate social responsibility performance. Further, the corporate social responsibility activity profiles and track records of

a large number of firms have increasingly been tracked and compared by independent third-party ratings agencies. There are even sets of self-regulatory measures devised and collectively taken by members of industry-level associations. An organization needs to get a calm disapproved of approach to manage assess the need and impact of women on corporate social commitment concerns it faces. Yet some investigation on Indian organizations has been coordinated beforehand. To autonomously assess the status of revelation rehearses in Corporate Social Responsibility, the thought has still not been all around examined. There is as yet an insufficiency of studies which comprehensively and at the same time review execution of an organization on all the three estimations of supportability – organization, condition and social concerns, besides on perceiving the impact of women on corporate social responsibility disclosures made by organizations. In this study researcher examines the following criteria the explanations for the low representation of women at the board level, comprehend the encounters and impression of women directors on sheets in the Indian connection, recognizing the variables to enhance the quantity of women in the board level, the effect of women directors on corporate social obligation enacts as attempted by their particular associations. As result of the study there is an impact is created by women board of directors in corporate social responsibility.

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