



Exploring the CSR Practices of the Textile Industry for Stakeholders Before and After GST

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Abstract: Indian Textile Industry is the burgeoning sector, it contribute major portion to the nation economic progress, offer employment opportunity and total production. Moreover the corporate sector performances influenced by the Government policies and amendments like GST implementation and norms related to CSR activities. Besides, business environment of the each corporate sector growth depends on the stakeholders' performance. It induces the researchers to analyze the Textile Industry sector CSR strategies to stakeholders before and after GST. The present study highlighted the CSR practices towards Shareholders, Employees and Consumers. Data were collected from 113 respondents, other available web sources and analyzed using the Weighted Average Method.

Keywords: Corporate Social Responsibility, Stakeholders, Textile Industry and Goods and Services Tax.

Introduction

Indian Textile Sector plays a dynamic role in the nation's progress and promoting in various dimension such as Economic growth, Employment creation and Productivity enhancement. The corporate sector significantly influenced by the Government policies. Goods and Services Tax implementation is one of the reform to renovate the indirect tax system by made amendments and it considerably impact the industrial sectors including Textile Industry sector. Besides, the New Companies Act 2013 has announced CSR activities are mandatory for the corporate sector. It forces the corporate sectors to indulge with CSR strategies to attain sustainable development of the nation because, the Government strongly believe the CSR drive the nation in the pathway of attain sustainable development goals and build public-private partnership in transforming India [1] Corporate sectors contribute to the society by framing the agenda for CSR activities as per the norms mentioned by the companies act. It express the commitments of the corporate sectors to the society, it implies stakeholders such as Employees, Shareholders, Consumers etc.

Stakeholders are the pillars of the organization, each business activity can't run without their involvement. Hence the organizations have the keen interest to fulfil the expectation of the stakeholders by adopting CSR activities. Besides it facilitates to build better relationship with employees, retain the shareholders trust and satisfy the customers need etc.

Statement of the Problem

Among all the industrial sector Textile Industry is one of leading sector and it contribute to the nation's growth by enhancing various aspect such as economic growth, offer employment opportunity and total productivity. But these contributions feasibly influenced by the Government policies like GST introduction and New Companies Act 2013 etc. GST regime crucially influence the business environment of the organization. Nevertheless CSR norms as per the companies figure out the corporate sectors contributions towards society including Textile Industries. Besides the role of stakeholders are essential as such shareholders who provide financial sources, Employees who acted as fabricator and Consumers who promote the business by acted as a



revenue drivers. To spot out the Textile Industries CSR strategies are essential hence the present study posed the following research question

- ❖ Is there any changes in the Textile Industries CSR practices for the employees, shareholders and consumers before and after GST?

To find the solution to the above question the following objectives are framed.

Objective of the Study

- To explore the CSR practices of the Textile Industries towards stakeholders before and after GST.
- To examine the CSR practices of the Textile Industries towards Employees before and after GST.
- To evaluate the CSR practices of the Textile Industries towards Consumers before and after GST.

Scope of the Study

The present study have the focus to explore the Textile Industry CSR practices before and after under centralized sector. The researchers have collected primary data from 113 respondents from 76 spinning mills situated in Coimbatore, Virudhunagar, Erode and Madurai in Tamil Nadu. The present study analyses the CSR strategies towards stakeholders such as Shareholders, Employees and Consumers. The researchers collected data from the top level management employees by using well-structured questionnaire. The Study has been conducted in between December 2023 –March 2024.

Limitation of the Study

The present study analyses the Textile Industries CSR practices for the stakeholders before and after GST among spinning mills under centralized sector in Tamil Nadu only. It analyzed CSR strategies for the major stakeholders such as Shareholders, Employees and Consumers because not covered stakeholders as a whole. Primary data were collected only from 113 respondents in four textile intensive districts during December 2023 –March 2024.

Review of the Literature

Various study have analyzed the CSR activities in different dimension like research the relationship with CSR and financial performance, CSR role to attain sustainable development of the textile industry, IT sector, consumers etc.

The following studies related to the impact CSR on financial performance of corporate sector, research the relationship between net profit and their CSR contributions.

Srishti Shah *Et.al* 2020 [2] examined “**Impact of corporate social responsibility on firms’ financial performance**”. The aim of the study is to find the financial performance of the firm, consumer perception towards firm’s CSR activities and how the CSR affects the society. This study is based on primary and secondary data and analyzed via correlation regression. The study has selected Information Technology, Power, Mining, and Consumer Goods sector for secondary data and primary data were collected from the respondents those who are all above age of 18. The study has found that CSR performance is increased if sales and net profit are increased; CSR not influenced by ROA; most of the respondents were purchase products from the industry those who are followed CSR. According to the domain-wise distribution of the amount spent on CSR by firms, it was observed that the Education and Vocation skills, Hunger, Poverty and Healthcare, Rural Development and Environmental Sustainability, are sectors that are benefitted the most from firms’ CSR spending. The study has concluded CSR gives positive impact on society.

Anurag Sharma and Vinod Kumar 2020 [3] conducted a study on “**Impact of CSR on financial performance of companies in India**” with aim to found relationship and impact between CSR and financial performance. The researchers were collected the secondary sources during 2014-2018 about top 5 IT companies and analysed by correlation and regression. The study has found that CSR has positive influence on net profit of the selected companies.

Chih-Cheng Chen *et.al* 2021, [4] analysed “**The Role of Corporate Social Responsibility and Corporate Image in Times of Crisis: The Mediating Role of Customer Trust**”. The researchers have the aim to assess the connection between CSR dimension and corporate image to examine the customers trust. The researchers were collected data from 50 respondents from hotel located in Peshawar and analyzed using SEM model. The study has found that CSR strategies were help enhance the customer trust about the hotel, moreover CSR impact the hotel image too except ethical responsibility. The study has concluded that it partially mediated the relationship between ethical and philanthropic CSR.



Malini R and Sivagami N 2022 [5] scrutinized **“Corporate Social Responsibility Is a Live Leverage to Attain Sustainable Development Goals - A Study with Special Reference to Spinning Mills in Tamil Nadu”**. The aim of the study was to estimate and evaluate the spinning mills contribution for CSR and SDGs, to explore the CSR is a live leverage to attain SDGs. The study was based on secondary sources form 2016-21 of top ten spinning mills by adopting judgement sampling method and analyzed by using simple percentage analysis and graph. The study has found that selected mills were adopted SDGs 2, 3 4, 10 and 13, all the selected mills contributed towards SDGs 4 education, Rajaplayam and Bannari Amman mills are the pioneer industries for CSR contribution and selected mills contribution rural development was good. The study suggested and concluded that the industry should consider the remaining goals instead of largest contribution for education and industries enhance their strategies to attain sustainable development efficiently.

Malini R and Sivagami N 2023 [6] examined **“Research the Relationship between Net Profit and Contribution for CSR by Spinning Mills”**. The study has objectives to scrutinize the contribution on CSR activities by spinning mill and examined the correlation between net profit and CSR contribution. This study collected secondary data from official website of selected spinning mills in Tamil Nadu and analyzed by using correlation and regression. The study has found that the spinning mills contribution for CSR continued even though pandemic period too, Lambodhara mill contribution for CSR more than the threshold limit, Sambandam mill sustain their Vol. of CSR contribution, there was a positive correlation between net profit and CSR contribution. The study has suggested that the selected spinning mills are had the capability to spend more than thresh hold limit towards CSR and the Government should amend CSR policies for the listed industries to increase the consistency of the CSR contribution. Hence, the researchers has concluded that the net profit and contribution for CSR of the spinning mills perfectly correlated. These industries are the role model for the peer industries to transform the society and support the Government to attain sustainable development.

Deepa Sharma and Suman Chakraborty, 2024, examined [7]**“Corporate social responsibility and financial performance: does CSR strategic integration matter?”** The study examined the relationship between CSR financial performances of the Indian firms. The researchers were collected data from 134 companies listed in NSE. The study has found that the relationship CSR strategies were strengthen the CFP of the manufacturing industries and suggested that diverse of CSR strategic integration with business strategy facilitates to strength firm’s performance. The result of the study recognized that Companies can undertake considerable challenges to excogitate and accomplish more by raising their accountability to stakeholders through a goal-driven corporate responsibility strategy. However, the companies should focus on formulating objectives based on culture, brand, and business strategy.

The existing studies are concentrated on the relationship between CSR and financial performance, how far it help to attain sustainable development. Most of the studies examined the CSR activities and financial performance of the IT sector, consumers, Mining and some of the analyzed the role of CSR to attain SDGs for sustainable development. Nevertheless the noteworthy research gap are tabulated below.

Author	Title	Focus	Research Gap
Srishti Shah et al., 2020	Impact of corporate social responsibility on firms’ financial performance	Information Technology, Power, Mining, and Consumer Goods sectors ROA and net profit.	The study expressed the common sectors financial performance and consumers opinion, not examine the stakeholders point of view during pre and post GST including Textile Industry .
Anurag Sharma & Vinod Kumar, 2020	Impact of CSR on financial performance of companies in India	Correlated the financial performance and explored the cause and effect in IT sector	This study exclusively analyzed the IT sector’s CSR performance. Didn’t covered the level of CSR performance influenced by GST implementation of this insutry
Chih-Cheng Chen et al., 2021	The Role of Corporate Social Responsibility and Corporate Image in Times of Crisis: The Mediating Role of Customer Trust	The study highlighted the consumers’ trust towards corporate image.	The authors have concentrated only consumers trust not included the employees and shareholders Viewpoints and excluded the GST implications.
Malini R &Sivagami	Corporate Social	The study have the	This study related with present



N, 2022	Responsibility Is a Live Leverage to Attain Sustainable Development Goals - A Study with Special Reference to Spinning Mills in Tamil Nadu	viewpoint related to the consistency in the CSR contribution of the spinning mills to attain SDGs 2, 3 4, 10 and 13	study area meanwhile not covered the CSR strategies towards stakeholders and there is no comparison made during before and after GST
Malini R &Sivagami N, 2023	Research the Relationship between Net Profit and Contribution for CSR by Spinning Mills	Emphasize the correlation between net profit and CSR contribution of the top ten spinning mills	In absence of in-depth analysis on CSR only focused impact of financial performance via correlation the net profit and CSR contribution. It excluded the changes in the CSR contribution due to GST implementation.
Deepa Sharma & Suman Chakraborty, 2024	Corporate social responsibility and financial performance: does CSR strategic integration matter?	A Wider point of view of the NSE listed industries CSR contribution and their CFP agenda.	The study based on secondary data analysis only. There is no specific analysis regarding GST and stakeholders of the textile industry.

The above discussion proved to explore the Textile Industry CSR practices towards stakeholders are essential during before and after GST. The fulfilment of the research gap facilitates the policy makers as well as textile industry to design their agenda as per the need.

Research Methodology

Study Area

The researchers were selected four districts in Tamil Nadu based on Textile Industry scrupulous area, such as Coimbatore, Virudhunagar, Erode and Madurai.

Source

The researchers were mainly used primary data to attain the objective of the study. The data were collected from 113 respondents those who are working as a top level management authorities in spinning mills. Secondary data were collected from Journals, Articles and available web sources. **Study Period**
 The researchers has conducted the study in between December 2024 –March 2025.

Sampling Design

Sample Unit

The researchers selected who are the top level management employees of the each organized Textile Industries for the study

Sampling Size

The researchers selected 113 respondents from 76 spinning mills among 1861 mills in Tamil Nadu for the study to exploring the CSR practices followed by the Textile Industries.

Sampling Technique

The researchers adopted Judgement sampling method to select the appropriate respondents and also as per the norms of the Companies act 2013 Sec. 135 (4).

Statistical tools

The researchers used Weighted Average Method for data analysis.

Analysis and Interpretation

CSR strategies of the Textile Industries towards employees, society and shareholders has been analyzed as follows:



CSR Strategies for Shareholder

“Financial prosperity is the essential vision of the organization” and this context can be achieved by the contribution **“finance seed spreader i.e. Shareholders”**. Besides, shareholders plays a pivotal role in the organization progress accordingly the corporate sectors retain the rapport with shareholders relationship by adopting effective CSR strategies.

Table 1
CSR Strategies of the Textile Industry for Shareholder

Strategies	Before				After			
	Yes	No Opinion	No	Total Score	Yes	No Opinion	No	Total Score
Ensure the safety of the investment	68 (60.17)	34 (30.08)	11 (9.73)	283	86 (76.10)	20 (17.69)	7 (6.19)	305
Provide financial information	84 (74.33)	29 (23.89)	-	310	113 (100)	-	-	339
Timely payment of interest	51 (45.51)	62 (54.86)	-	265	71 (62.83)	42 (37.16)		297
Consistency of receiving Dividend	48 (42.47)	55 (48.67)	10 (8.84)	264	67 (59.29)	38 (33.62)	8 (7.07)	285
Reduce risk in cash flow	70 (61.94)	28 (24.77)	15 (13.27)	281	77 (68.14)	24 (213.23)	12 (10.61)	291
Average Score	280.60				303.40			

Source: Primary Data

Neutral Score $113 * 2 = 226$

The above Table shows that CSR strategies employed by Textile Industry towards shareholders before and after GST implementation. Total score value denotes that 3/4th of the respondents acknowledged that providing financial information to the shareholders is the essential to retain them before GST (310). Meanwhile this view point changed after GST since hundred percentage of the respondents notably accepting it (339). Besides, the respondents strongly agreed providing financial information ensures safety of the investment after GST and it's proved by the table value (283 to 305) as a result of transparency in the GST regime. It pulls the companies to enhance accuracy in their financial transaction voluntarily. Moreover the scores proved that Risk in cash flow transaction reduced after GST and the values increased from 281 to 29. It creates positive impact on the level of consistency in providing dividend and Timely payment of interest to the shareholders after GST and it confirmed by the high deviation shown the total scores (264-285) and (265-297) respectively. The CSR strategies followed by the Textile for shareholders were excellent after GST and it's proved by the average scores (280.6 to 303.4).

The result indicates that the Textile Industries major CSR strategy is providing financial information accurately. It helps to build the better relationship with shareholders who are the revenue key drivers for the financial wellness of the organization. It can be retained via timely payment of interest and consistency in dividend distribution meanwhile all those strategies improved after GST. Nevertheless induces the shareholders to retain their investment plan because **“Stability is essential to create Reliability”**. The result confirmed that the rapport between industries' and shareholders strengthened after GST.

CSR Strategies For Employees

“Functional prosperity of the organization relies on Employees Contribution”. In the corporate culture synergy between organization and Employees is the crucial for the success of the organization. In the present scenario organizations are willing to build a better rapport with employees via by adopting the appropriate strategies to boost their employees.



Table 2
CSR Strategies of the Textile Industry for Employee Before and After GST

Strategies	Before				After			
	Yes	No Opinion	No	Total Score	Yes	No Opinion	No	Total Score
Health care benefits	113 (100)	-	-	339	113 (100)	-	-	339
Skill development	76 (67.25)	15 13.27	22 (19.46)	280	92 (74.13)	12 (10.34)	9 (15.51)	309
Education benefits to employees children	54 (47.78)	33 (39.20)	26 (23)	254	87 (76.99)	17 (15.04)	9 (7.96)	304
Employee volunteerisms	45 (39.82)	56 (49.55)	12 (10.61)	259	79 (69.91)	20 (17.69)	14 (12.38)	291
HACCP implementation	57 (50.44)	42 (37.1.6)	14 (12.38)	269	72 (63.71)	30 (26.54)	11 (9.73)	287
Average Score	226.4				248.6			

* CSR – Corporate Social Responsibility

HACCP-Hazard Analysis Critical Control Point

Source: Primary Data

Neutral Score $113 * 2 = 226$

Table 2 indicates that the Textile Industry CSR strategies for employees before and after GST. The table value proved that hundred percentage of the respondents strongly accepted that providing health care benefits to the employees is an essential (339) before and after GST. It enhances the loyalty of the employees and it create positive correlation with employer and employees. Textile Industry contribution for employees' skill enhancement (309) facilities the employees to meet the technical advancement and it fill the gap between younger and experienced employees. Contribution to employees Children's Education benefits (304) increased after GST while compared with before. The companies' contribution for HACCP (269-287) increased gradually after GST it indicated that industries commitment towards quality as well as safety of the employees. It leads the employees' voluntarism towards society as well as companies' growth. Average scores demonstrated that Textile Industry CSR strategies for employees were excellent after GST.

The result revealed that that the Textile Industries CSR strategies for employees' is the major part in their CSR agenda hence their contribution for healthcare benefits considered as the primary one. ***"Health is wealth for everyone but the employees are the wealth for the companies"***, the companies can retained these context by offering skill development programme to meet the challenges in tax planning and operational activity plan based on GST regime . Because there is need to conduct many technical enhancement after GST. The companies offering education facilities to the employees children's stimulate the employees' voluntarism. It is a win-win situation for both of them. Besides, employees' self-interest and professional interest it increase the image of the organization among employees as well as society increased after GST.

CSR Strategies for Consumer

"Consumers are heart of the organization, without heart there is no use of blood (finance) and brain", and also consumers are the revenue generator and booster for business activities. ***"Revenue prosperity of the organization fulfilled by the consumers' satisfaction"***. Because Flourishment of the business activities can be attained via consumers' satisfaction". This is the prime motto of the every organization. Besides, the organizations were build trust among the consumers via CSR strategies to attract and retain them.

Table 3
CSR Strategies for Consumer Before and After GST

Strategies	Before				After			
	Yes	No Opinion	No	Score	Yes	No Opinion	No	Score
Quality product	113 (100)	-	-	339	113 (100)	-	-	339
Customer loyalty	89 (100)	24	-	315	113 (100)	-	-	339
Fair distribution	82	31	-	308	113	-	-	339



	(100)				(100)			
Consumer education	86 (74.13)	27 (25.86)	-	312	113 (100)	-	-	339
consumer protection	90 (80.17)	23 (18.27)		316	113 (100)			339
Average Score	318				339			

Source: Primary Data

Neutral Score $113 * 2 = 226$

The above Table indicates that the Textile Industry CSR strategies for Consumers before and after GST. The Textile Industries have major focus on quality of the product before and after GST and it's confirmed by maximum score (339). The respondents were strongly accepted that GST implementation vitalize the industries providing consumer education (312-339) to retain their relationship with consumer via fair distribution and it proved by the total scores (308-339) during before and after GST. Textile Industry contribution to consumer protection and consumer loyalty improved after GST, it confirmed the table values 316-339 and 315-339 respectively.

The result revealed that the Textile Industries strongly believed quality product and fairness in distribution are the key to retain the customer loyalty and by the. Besides ***“Quality and Quantity is the Inducer for Consumer Loyalty”***. Distributive justice ensured the customer protection induces to purchase. Consumer education helps to create awareness for the consumer rights and it enhance the honesty in the relationship between organizations for long run. In overall the result revealed that Textile Industry CSR strategies for consumers outstanding after GST.

Findings

Employees

- ❖ Textile Industries gives higher priority to the employees' health care benefits it induce employee voluntarism and make them to work whole heartedly.

Shareholders

- ❖ The accuracy in providing financial information to the shareholders ensures shareholders opinion towards safety of the investment and consistency in dividend distribution after GST when compared with before.

Customers

- ❖ GST implementation is a pathway to increase customer education towards fair distribution and customer loyalty.

Suggestions

Employees

- ➔ Textile Industries should give equal contribution to the employees' skill development along with healthcare benefits to retain healthy relationship with employees.

Shareholders

- ➔ Textile Industries should consider their dividend distribution policy based on stock market situation, to maintain the consistency in volume of dividend.

Conclusion

The present study ***“Exploring the CSR Practices of the Textile Industry for Stakeholders Before and After GST”***. The study has been conducted in between December 2024 – March 2025. The present study has proved that Textile Industry CSR strategies were improved after GST by analysing the CSR strategies towards stakeholders' and it gave satisfaction to the Textile Industry. The Government policies act as inducer for the industrial sector to do responsibility towards to the society intensively. Hence the study has concluded that CSR is a pathway to full fill the expectation of the nation and industrial sector nevertheless changes made in the Government tax policies not affect this journey.

Note:

The researchers carried **Ph.D. research work (during 2019-2023)** few of the studies carried out the research under this realm. Nevertheless none of the studies explored their research connected with GST on CSR in any industry including Textile Industry.



The primary data collected from 380 sample respondents by **Dr. N.Sivagami** during her Ph.D. Research work. She pursued her research work under **Dr. R. Malini Associate Professor, PG Department of Commerce and Research centre, Sri Parasakthi College for Women, Courtallam** and she was awarded **Ph.D. degree on 16.08.2024**. This present paper based on the data collected by using structured Questionnaire via SNSs for the research work entitled “Impact of GST on Textile Industry in Tamil Nadu.”

Foot Notes

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