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EFFECTIVENESS OF CORPORATE SOCIAL RESPONSIBILITY (LMW) REPORTING IN BUILDING BRAND REPUTATION

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ABSTRACT

This study examines the Effectiveness of Corporate Social Responsibility (CSR) Reporting in Building Brand Reputation, with special reference to Lakshmi Machine Works Limited (LMW). In the modern business environment, organizations are increasingly evaluated not only on financial performance but also on their social, environmental, and ethical responsibilities. CSR reporting has become an important communication tool that helps companies disclose their sustainability initiatives and community contributions to stakeholders.

The primary objective of this study is to analyze how CSR reporting influences brand reputation, customer perception, and purchase decisions. The research identifies CSR reporting as the independent variable and brand reputation as the dependent variable. Data were collected through a structured questionnaire and analyzed to understand stakeholder opinions regarding transparency, credibility, consistency, and impact of CSR disclosures.

The findings indicate that effective and transparent CSR reporting positively influences public perception, enhances corporate image, and strengthens customer trust and loyalty. The study concludes that CSR reporting is not merely a compliance requirement but a strategic instrument for reputation management and sustainable growth. Organizations like LMW can strengthen their competitive position by maintaining consistent and credible CSR reporting practices.

INTRODUCTION

Lakshmi Machine Works Limited (LMW) is one of India's leading textile machinery manufacturing companies, recognized for its innovation, product quality, and strong market reputation. In today's competitive and socially aware business environment, companies are evaluated not only based on their financial performance but also on their contribution to society and the environment. This shift has increased the importance of Corporate Social Responsibility (CSR) and its proper reporting as a key strategic tool for organizations.

Corporate Social Responsibility (CSR) refers to the commitment of a company to conduct its business in an ethical manner while contributing to economic development, environmental protection, and social welfare. CSR activities may include initiatives related to education, healthcare, rural development, environmental sustainability, employee welfare, and ethical governance. However, performing CSR activities alone is not sufficient; communicating these efforts transparently through CSR reporting is equally important. CSR reporting is the process of disclosing information about a company's social, environmental, and ethical practices to stakeholders such as customers, investors, employees, government authorities, and the general public.

Effective CSR reporting enhances transparency, accountability, and trust. It helps stakeholders understand how responsibly the organization operates and how it balances profit-making with social responsibility. For a reputed company like LMW, structured and clear CSR reporting can strengthen its corporate image and reinforce stakeholder confidence.

RESEARCH OBJECTIVES

- To examine the CSR initiatives undertaken by LMW.
- To evaluate stakeholder awareness of LMW's CSR activities.
- To study the relationship between CSR reporting and brand reputation.

LIMITATIONS OF STUDY

- The study is limited only to Lakshmi Machine Works Limited (LMW).
- The findings cannot be generalized to other companies or industries.
- The study covers only a specific time period.
- It is based mainly on available CSR and annual reports.
- Limited sample size of respondents.
- The study is based on responses collected through a questionnaire, so results depend on the honesty and understanding of respondents.

STATEMENT OF PROBLEM

In the present competitive business environment, companies are expected not only to achieve financial growth but also to demonstrate social responsibility and environmental sustainability. Corporate Social Responsibility (CSR) has become an essential component of business strategy, and CSR reporting has emerged as a key tool for communicating these efforts to stakeholders. However, merely performing CSR activities does not automatically guarantee a positive brand image unless the initiatives are effectively reported and clearly communicated.

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There is a growing concern that inadequate disclosure, lack of transparency, or ineffective communication of CSR activities may limit the impact of such initiatives on brand reputation. Stakeholders today demand detailed, transparent, and consistent reporting to build trust and confidence in an organization. If CSR reports fail to clearly present the company's contributions and outcomes, the potential benefits in terms of enhanced reputation and goodwill may not be fully realized.

Therefore, the main problem addressed in this study is to examine whether the CSR reporting practices of LMW are effective in strengthening its brand reputation. The study seeks to identify the relationship between CSR disclosure and stakeholder perception, and to determine whether CSR reporting contributes significantly to improving trust, credibility, and overall corporate image.

REVIEW OF LITERATURE

Archie B. Carroll 1991)
Title: The Evolution of Corporate Social Responsibility
Carroll proposed the well-known CSR Pyramid model, which explains that corporate responsibility consists of four layers: economic, legal, ethical, and philanthropic responsibilities. He emphasized that businesses must first be profitable, then obey the law, act ethically, and finally contribute to society. This model became a foundation for understanding CSR in both theory and practice

Marc Orlitzky (2003)
Title: Corporate Social Responsibility and Corporate Financial Performance
Orlitzky conducted a meta-analysis to examine the relationship between CSR and financial performance. The findings showed a positive correlation between socially responsible practices and improved financial results. Companies that actively engage in CSR often gain better investor confidence and market performance.

Michael E. Porter & Mark R. Kramer (2006)
Title: Strategic CSR and Competitive Advantage
Porter and Kramer introduced the idea of "Strategic CSR," stating that CSR should align with a company's core business strategy. They argued that companies can create shared value by addressing social issues that connect with their operations. When CSR is integrated strategically, it improves competitiveness and long-term success.

Dan S. Dhaliwal (2011)
Title: CSR Disclosure and Firm Value
Dhaliwal examined how voluntary CSR disclosure affects firm value. The study found that companies providing detailed CSR reports attract more investors and enjoy lower capital costs. Transparent reporting increases credibility and reduces information gaps. This shows that CSR reporting directly influences stakeholder confidence and brand reputation.

Vidhi Chaudhri (2014)
Title: CSR and Brand Reputation in Emerging Market
Chaudhri examined how CSR communication influences corporate reputation in emerging markets like India. The study concluded that proactive and transparent CSR reporting enhances public trust and corporate legitimacy. In developing economies, CSR reporting plays a vital role in strengthening brand reputation and stakeholder relationships.

Bala Subramanian (2015)
Title: CSR Reporting Practices in India
This study analyzed CSR reporting trends among Indian companies after the Companies Act, 2013 made CSR mandatory. It found improvements in transparency and disclosure standards. However, variations existed in reporting quality and consistency. The research highlights the growing importance of structured CSR reporting in India.

RESEARCH METHODOLOGY

This study adopts a **descriptive research design** to examine the effectiveness of Corporate Social Responsibility (CSR) reporting in building brand reputation, with special reference to Lakshmi Machine Works Limited (LMW). The research aims to understand how CSR reporting practices influence stakeholders' perceptions, trust, and overall brand image of the company. Since the study focuses on analyzing opinions and perceptions, a quantitative approach has been used.

Both primary and secondary data were utilized for the study. Primary data were collected through a structured questionnaire distributed to respondents such as customers and the general public who are aware of CSR activities. The questionnaire consisted of multiple-choice and Likert scale questions designed to measure transparency, credibility, consistency, and impact of CSR reporting on brand reputation. Secondary data were collected from LMW's annual reports, CSR reports, official website, journals, books, and relevant research articles related to CSR and brand reputation.

A convenience sampling method was adopted to select the respondents for the study. The sample size consisted of (mention your number, e.g., 100 respondents). The independent variable of the study is CSR reporting, while the dependent variable is brand reputation. The collected data were analyzed using percentage analysis and presented through tables and charts for better interpretation. The study was conducted during the academic year (mention your year, e.g., 2025–2026).

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DATA ANALYSIS & INTERPRETATION

PERCENTAGE ANALYSIS

TABLE 1
GENDER OF THE RESPONDENTS

S.No	Gender	No.of respondents	percentage
1	Male	67	65.7
2	Female	35	34.3
	Total	102	100.0

Source : Primary Data

INTERPRETATION: The majority of respondents are male (65.7%), while 34.3% are female. This indicates that the survey responses are slightly male-dominated.

TABLE 2
AGE OF THE RESPONDENTS

S.No	Age	No.of respondents	percentage
1	18-25	48	47.1
2	26-35	27	26.5
3	36-45	24	23.5
4	46-55	3	2.9
	Total	102	100.0

Source : Primary Data

INTERPRETATION: Most respondents belong to the 18–25 age group (47.1%), followed by 26–35 years (26.5%). This shows that the study mainly represents young adults.

TABLE 3
CSR INFORMATION OF THE RESPONDENTS

S.No	Csr Information	No.of respondents	percentage
1	Never	16	15.7
2	Rarely	40	39.2
3	Sometimes	35	34.3
4	Often	11	10.8
	Total	102	100.0

Source : Primary Data

INTERPRETATION:A large portion rarely (39.2%) or sometimes (34.3%) access CSR information. Only 10.8% access it often. This suggests limited regular engagement with CSR content.

TABLE 4
TRANSPARENCY

S.No	TRANSPARENCY	No.of respondents	percentage
1	Not transparent	18	17.6
2	Slightly transparent	33	32.4
3	Moderately transparent	31	30.4
4	Highly transparent	15	14.7
5	Completely transparent	5	4.9
		102	100.0

Source : Primary Data

INTERPRETATION: Most respondents feel that CSR reporting is either slightly transparent (32.4%) or moderately transparent (30.4%). Only a small percentage (4.9%) believe it is completely transparent.

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TABLE 5
CSR REPORTING

S.No	CSR REPORTING	No.of respondents	percentage
1	YES	71	69.6
2	NO	31	30.4
	TOTAL	102	100.00

Source : Primary Data

INTERPRETATION: A majority (69.6%) believe CSR reporting is important, while 30.4% do not. This shows overall positive acceptance of CSR reporting.

TABLE 6
OVERALL REPUTATION

S.No	OVERALL REPUTATION	No.of respondents	percentage
1	Not at all	23	22.5
2	To a small extent	29	28.4
3	To some extent	17	16.7
4	To a great extent	25	24.5
5	To a very great extent	8	7.8
	TOTAL	102	100.00

Source : Primary Data

INTERPRETATION
CSR affects reputation to a small extent (28.4%) or to a great extent (24.5%). This shows CSR contributes to reputation but is not the sole factor.

SUGGESTION

- Improve transparency by providing clear, accurate, and measurable CSR information.
- Detailed disclosure of objectives, spending, and outcomes will enhance stakeholder trust and credibility.
- Publish comprehensive annual CSR reports with performance indicators. Including targets and achievements will help stakeholders evaluate the effectiveness of CSR initiatives.
- Adopt third-party certifications and independent audits. External validation increases reliability and reduces public skepticism about CSR claims.
- Focus more on social and community development programs. Initiatives in education, healthcare, and rural development can strengthen emotional connection with society.
- Enhance environmental sustainability practices. Activities such as energy conservation, waste reduction, and green manufacturing improve corporate image.

CONCLUSION

This study on the Effectiveness of Corporate Social Responsibility *(CSR) Reporting in Building Brand Reputation* with reference to Lakshmi Machine Works Limited (LMW) concludes that CSR reporting plays a vital role in enhancing the organization's brand image and strengthening stakeholder trust.

The findings reveal that transparent, accurate, and well-structured CSR reports positively influence customers, employees, investors, and the community. When LMW clearly communicates its social, environmental, and ethical initiatives, it improves credibility and builds a strong responsible corporate identity. Effective CSR reporting also increases stakeholder engagement by providing detailed insights into sustainability practices and community development efforts.

Moreover, consistent CSR initiatives supported by proper disclosure help LMW differentiate itself from competitors. It contributes to long-term brand loyalty, corporate goodwill, and a positive public image. The study confirms that CSR reporting is not merely a statutory obligation but a strategic reputation management tool that significantly contributes to sustainable business success.

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