



**REVIEWING HISTORY, RECENT TRENDS AND IMPACT OF COVID IN THE
CONTEXT OF CORPORATE SOCIAL RESPONSIBILITY**

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ABSTRACT

Corporate Social Responsibility (CSR) is not a new idea but is clearly the newest buzzword in the business world. It has been more popular during the previous few decades. Philanthropy by corporations is not something new in India. This article explores the idea of CSR and its history, benefits and drawbacks of mandatory vis-à-vis optional CSR and concerns and obstacles associated in executing the terms of the Act and related laws. Corporate responsiveness and response to social concerns and demand for sustainability in order to progress further into a new age of collaborative future action for factoring the sustainable business strategy for good governance and development of the society and its people. The objective of this study is to identify the causes for growth of CSR in India and to know what are prospective advantages of CSR to enterprises.

Keywords: Trends, Corporate, Challenges, History, Strategy.

I. INTRODUCTION

The value of CSR cannot be overstated in the Indian economy. Despite Indian economy is at a respectable pace yet poverty, education, primary health care, sanitation, skill gap, drinking water etc are several sectors where lot of emphasis and resource deployment is needed. Oxford Poverty and Human Development Initiative in their study found that around 51 percent of India's population is impoverished. It should now be a focal area for CSR to aid poor in making them gainfully engaged, basic health, water, housing, elementary education available to them. CSR has the potential to promote equitable economic development in India. It will coordinate corporate initiatives with government initiatives for long-term sustainability. Government's welfare schemes sometimes do not reach to last man for which it is meant but CSR supplement to govt schemes can take care of this deficit by reaching unprivileged population.

CSR assumes tremendous relevance in this setting since the Indian government is struggling to address the country's various economic and social concerns with its limited resources. Indians

have long been a charitable society contributing to social welfare both at individual level and via organisations like societies, trusts and foundations. Sir Jamsetji Tata, a notable Indian philanthropist, pioneered the notion of accumulating money for the public good and is considered at par with his counterparts in the west like Andrew Carnegie. He founded the J N Tata Endowment Program in 1892 and set aside vast infrastructure for an Institution of Science and Technology (presently Indian Institute of Science in Bangalore) (presently Indian Institute of Science in Bangalore).

Tata’s heritage was followed by his family and Sir Dorabji Tata Trust formed later has to its credit modern day institutions like Tata Memorial Centre; Tata institute of Social Sciences (TISS); and Tata Institute of Fundamental Research (TIFR) (TIFR). Religious institutions like as temple and gurdwara managements and waqfs have long been major charitable entities. Tirumala Tirupati Devasthanams (TTD) built schools going back to 1876. Nowadays, it controls various educational institutions and hospitals. A.M. M Foundation is notable for building several schools geared at encouraging female education. Jagannath Shankarshet (1803–65) contributed to build Native School of Bombay. Other businessmen also made big gifts. K. Jehangir Readymoney (1812–1978) and Premchand Roychand (born 1831) provided significant financial support to Mumbai University. Pachaiyappa Mudaliar (1754–1994) left his estate to found Pachaiyappa's College, the city of Chennai's first private institution of higher learning. Annamalai Chettiar donated to create hospitals, schools, clinics and institutions around Chettinad. Set up in 1909, Wadia Foundation has a great record of philanthropic contributions in various sectors. There are many more contributing to the cause of social welfare.



Figure 1: Benefits of CSR

Section 135 of the Companies Act 2013 is the first piece of legislation to explicitly require corporations to engage in corporate social responsibility initiatives (MCA, 2013). Not only CSR implementation was mandated but the reporting also made mandatory. It is, however, up to Corporate to decide where its CSR money is best put to use. There are no hard and fast sanctions

for breaking the law; instead, it takes a "comply or explain" tack. When it comes to mandatory CSR expenditure and reporting, India is the leading country in the world. In other parts of the world, corporate social responsibility efforts are still optional but must be reported. But Section 135 not makes the reporting of CSR compulsory but mandates CSR.

II. EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN INDIA

Philanthropic ERA of CSR

Social issues in ancient India were mirrored in religious practises. All faiths encourage members to look out for one another and do all they can to improve society. All of religion's teachings include the gifts humanity needs to thrive. It sought to get the wealthy and the poor to each give as much as they could reasonably afford to the common good through their financial resources. It was named differently in different religion. CSR evolved from charitable giving in its earliest stages. Charitable giving and financial aid were viewed as examples of socially responsible behaviour. Culture, religion, and family values all have an impact on corporate social responsibility. Before the advent of the industrial revolution, merchants often set aside a portion of their earnings to construct places of worship, inns, and hospitals. These large merchants used to aid communities by distributing grain from their storage facilities during times of famine and disease. The Indian industrialists who worked under British control cared about both profit and the community. Large corporations' participation in socially beneficial initiatives and charitable giving used to be seen as a badge of honour.

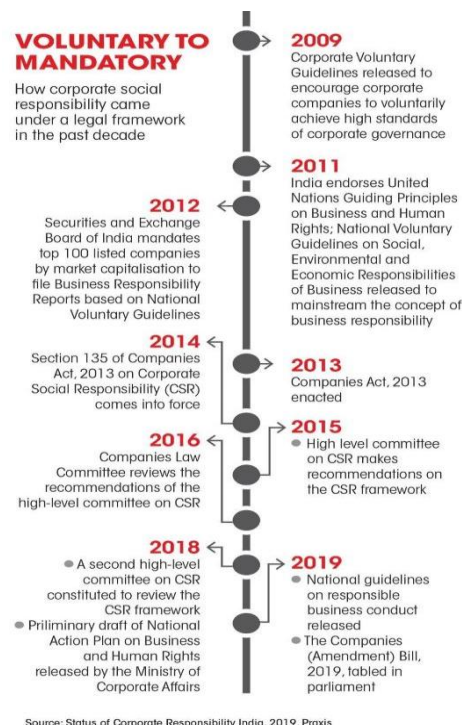


Figure 2: Evolution of CSR in India

Gandhi's influence on CSR was palpable during the independence movement. He hoped that big businesses would utilise their resources to improve people's lives. He pushed them to help the country out, support the liberation cause, and give to the underprivileged. The Trusts idea was pushed forward. Gandhi's reforms, which aimed to end untouchability, boost development in rural and underdeveloped regions, and give women greater agency, had a significant impact on the way these trusts operated. 1960–80, during this period thrust was on mixed economy. These government-run businesses were created to create jobs for the masses and boost the economies of underdeveloped regions. Such ventures were launched for financial reasons, but their primary goals were rooted in social concern. Laws governing the workplace and the environment were also enacted. A workshop on corporate social responsibility was held in 1965 by prominent members of Indian society, including politicians and business executives. It was decided to start being open and accountable to the people that matter to us, and to start having frequent conversations with them. Despite this, CSR failed to get the traction that was hoped for.

From 1980 to 2023, India's economy opened up to the rest of the globe. There was a peak of LPG, or liberalisation, privatisation, and globalisation. In India, corporate social responsibility (CSR) has become a business strategy, replacing more conventional forms of CSR. Increased sales at this time spurred voluntary CSR spending by several firms.

III. RECENT TRENDS IN CSR

Current online developments in corporate social responsibility. Among these are: -

Virtual Volunteering for Employees

When workers are invested in their work, it benefits both their company and its clients. The firm is able to keep more of its talented employees because of this. Those that help reconstruct the neighbourhood gain a sense of accomplishment and fulfilment. After the 2009 COVID-19 Epidemic, online volunteering has been a popular form of corporate social responsibility (CSR). According to data on volunteering, the share of opportunities that may be fulfilled virtually will rise from 17 percent in 2015 to 29 percent in 2020. Because of its greater reach, location flexibility, and cost-effectiveness, virtual volunteering has the upper hand over traditional volunteering.

Supporting small businesses

When it comes to running a business, small companies don't have a lot of money or resources to spare. The aid they receive from reputable institutions raises both their productivity and their spirits. The success of small and medium-sized businesses is an issue that many major corporations are willing to take on as part of their corporate social responsibility.

Taking the Eco-Friendly Route

The internet has been taken over by trending topics like climate change. Several corporations have promised to remedy the situation on their own and mitigate the environmental damage they have created. Carbon footprints have been partially caused by the operations of large businesses. Fast food restaurants like McDonald's may save 25% on their energy bills thanks to the installation of energy-efficient equipment, while eco-friendly retailers like Walmart power their whole supply chain with renewable energy.

Fairness, Acceptance, and Embracing Differences

Diversity and a sense of belonging are crucial now more than ever. The right to equality is one of the most important aspects of human life. Businesses have committed to reducing societal prejudice by recruiting people from underrepresented groups and providing equal pay for all employees, regardless of their race, religion, gender, or sexual orientation. Corporate social responsibility initiatives have pushed for equal pay for women, and this trend has taken the lead.

Business model adaptation

The threat of globalisation is felt by local communities. Local merchants and entrepreneurs are frequently taken advantage of because of their lack of access to resources and connections in a market dominated by powerful multinational firms. A localization movement in CSR emerged as a result, with successful businesses opting to help their immediate communities thrive. Nevertheless, going local looks like a win-win for the corporate titans.

Opening Up Business Practices

Companies that encourage open communication with their stakeholders and consumers are rewarded by those very same people. There has been a recent shift towards transparency in business practises as part of corporate social responsibility initiatives. Before putting their money into a firm, many investors will first do some cursory research online.

These were the new directions in CSR that are already making a positive impact on society. The business sector is doing a U-turn towards acts of charity and altruism that benefit society as a whole.

IV. CSR OF MULTINATIONAL COMPANIES (MNCS)

The significance that MNCs play in India's economy is growing, and MNCs already have a sizable presence there. Thus, the Indian government, civil society, and other stakeholders are very interested in the CSR operations of these corporations.

The presence of MNCs in India's economy and culture has far-reaching consequences. As a result, the communities and environments in which they operate can be profoundly affected by their corporate social responsibility (CSR) initiatives. Multinational corporations confront several obstacles in India when trying to undertake CSR initiatives.

Indian multinational corporations have a long history of innovative CSR projects. Here are a few illustrations:

1. **Tata Group:** The Tata Group has a long history of CSR initiatives in India. They have programs that focus on education, healthcare, and community development, as well as initiatives to promote sustainable business practices and environmental conservation.
2. **Mahindra Group:** Mahindra Group has a wide range of CSR initiatives including education, healthcare, and community development. It also focuses on environmental sustainability, including initiatives to promote clean energy and reduce carbon emissions.
3. **Infosys:** Infosys has a strong focus on education and community development. It has implemented programs to improve access to education for underprivileged children and has also established several community development programs.
4. **Reliance Industries:** Reliance Industries has a wide range of CSR initiatives that focus on education, healthcare, and community development. It also has a focus on environmental sustainability, including initiatives to promote clean energy and reduce carbon emissions.
5. **Wipro:** Wipro has a strong focus on education and community development. It has implemented programs to improve access to education for underprivileged children and has also established several community development programs.

These corporate social responsibility projects are among the numerous that Indian MNCs are involved in. These businesses have been dedicated to CSR for years, and their efforts have made a real difference in the communities and environments where they operate.

Ultimately, MNCs may have a big influence on society through their CSR initiatives in India, but they must overcome obstacles and focus on the local community to do so.

V.EFFECT OF CORONA PANDEMONIUM ON CSR

The scope of CSR initiatives is expanding at MCA. In 2020, the government expanded the concept of corporate social responsibility to include aid to former members of the Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) and their families (CSR). Companies can fulfil their legal obligations and aid the relief effort at the same time thanks to a decision by the MCA, announced in a Circular dated March 23, 2020, to recognise the COVID pandemic as a reported catastrophe, permitting the use of CSR money for COVID-19 as a qualified CSR activity. Spending on preventative health care, sanitation, and providing quarantine facilities, as well as contributions to the PM CARES Fund and Disaster Management Authority, ex-gratia to temporary/casual employees in excess of daily earnings, etc., have all been reported as qualifying CSR expenditures. Government initiatives to combat COVID-19 have received massive funding through CSR grants.

Media coverage of CSR and sustainability issues in 2020 has been substantial, playing a critical role in raising the profile of this notion. At this time of unprecedented chaos, the importance of community involvement and fair treatment has also grown. Businesses from all around the world have stepped up to aid communities and individuals in need by doing things like donating money to improve healthcare facilities, equipping themselves to combat the virus, and redirecting resources to expand healthcare product manufacturing. Businesses have been known to help their workers out by allowing them to work remotely, supplying them with money, etc. The CoVD-19 epidemic was also seen to have prompted a change in corporate social responsibility practises that were more transparent and honest. The factories of a number of UK manufacturers have been converted to create ventilators, PPE, and hand sanitizer, some of which will be donated rather than sold. Food banks and charitable groups benefited from supermarkets' donations of food and other supplies, while supermarkets helped the elderly and NHS staff. One tea firm uses the lockout to teach volunteers on how to help elderly folks who are alone and lonely. Commercial airtime was provided by businesses to raise public awareness and support charitable organisations. Financial institutions stopped charging interest and extended lending terms. India has to pay close attention to the evolving global trends in Corporate Social Responsibility as the industry faces new challenges and possibilities in the years ahead.

VI. CONCLUSION

CSR do not discriminate on the basis of race, colour, or religion. Regrettably, social responsibility is often misunderstood as socialism. In fact, every individual possesses value and may participate fully in economic life. This invisible culture can shape brighter future for nations. The success of corporate social responsibility (CSR) efforts depends on the buy-in and participation of workers. The government's efforts to help the poor and disadvantaged will fail if private groups don't join in. CSR (Corporate Social Responsibility) is an emerging trend in modern corporate social marketing. Many of the world's most successful businesses have come to see that supporting important social issues is a great way to fortify their brand, repel negative publicity, and stay ahead of the competition. It's based on the idea that businesses have a responsibility to society as well as the incentive to succeed.

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