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CSR Activities of Indian Firms for Social Upliftment: Opportunities and Challenges Post Covid-19 Pandemic

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ABSTRACT

Corporate Social Responsibility (CSR) is a means of analysing the concern of corporate towards the societal development. The Indian Companies Act 2013, has made it mandatory for companies to shell out at least 2% of their past three years annual average profits on CSR activities. The current Covid-19 pandemic situation has shaken the country's economy and has put the life of people on the ropes all over the world. In this wrecked situation, firms have been playing a major role in the social upliftment. The landscape of CSR activities has changed in the era of Covid-19 pandemic. The paper tries to explore the opportunities the corporates can bag to bring the society to normalcy post pandemic through their CSR activities and the challenges that they would be facing.

1. Introduction

1.1 Concept of CSR:

Corporations are essentially run for the benefit various stakeholders including employees, customers, suppliers, communities, society. The idea of CSR came up in 1953 in H.RBowen's—Social Responsibilities of the Business. CSR is a transparent business practice relied on ethical values that showcase respect for different stakeholders like employees, communities & the environment. It is concern that business exhibit towards the society. In today's digital era, every business, irrespective of scale, are required to involve themselves in CSR initiative. Societal approach is necessary for business organizations which call for their affinity towards the society.

CSR helps in building the reputation for company by carrying societal concerned activities and facilitates to have satisfied employees as well as satisfied customers. It

provides aid in accumulating the capital for business expansion and enrichment and also facilitates in establishing good public relationship in society. In spite of so many benefits it also suffers from some drawbacks like increased cost, contrasting business environment, disagreement of customers. It may also hit the reputation of the company, if they fail to render certain services in good manner, The **Companies Act, 2013** has defined mandatory provisions in Section 135, **Companies (Corporate Social Responsibility) Rules, 2014** and Schedule VII, to accomplish their CSR.

A list of proposed CSR activities which company can plan to take up includes

- Eliminating ravenousness and poverty.
- Promoting education and enabling skill based training for people.
- Building up of hostels or homes for old-aged people, orphans,
- Creating awareness about health by explaining relevance of being hygiene, following certain precautions to keep away some health issues etc.
- Taking up of some projects to clean some river, religious places etc.
- Imparting the knowledge to save wild animals, forests and making use of renewable energy.
- Rural development projects
- Slum area development.
- Providing drinking water.
- Contributing for national development program.

1.2 CSR during Covid-19:

The covid-19 pandemic has put humanity worldwide into a trauma and put forth anomalous challenge on various sectors like public health, food system, education system, employment and labour system etc. Recognising the need for solidarity and support needed for governments to overcome this vulnerable situation, corporates have been doing their best through their CSR activities.

Special one time dispensational move of Government declaring Covid-19 outbreak as “notified disaster” gave a proper channel for corporates to deploy their funds to relief funds meant for that purpose. MCA’s declaration saying that the funds spent on any kind for Covid-19 management can be treated as eligible CSR activity was an added benefit for corporate. Corporate started catering to different parkways like temporary accommodations, food supplies, medical care for patients and quarantine people, distribution of PPE kits, empowering students and employees, and many more to keep the humanity safe and secure.

2. OBJECTIVES:

1. To explore the opportunities which Indian firms can check on to bring the society to normalcy through their CSR activities post pandemic.
2. To check on the challenges that the Indian firms may face in the process of uplifting the society through their CSR activities.

Name of the Company	Contribution to fight against COVID-19
Infosys Foundation	Infosys Foundation provides Rs 50 crore to PM CARES Fund. It also contributes additional Rs 500 crore to be utilised for providing testing kits, masks, ventilators, food and nutrition to the poor persons. It also joined hands with Narayana Hospitals to provide 100 beds quarantine facility.
ITC Ltd	ITC Ltd sets up a covid-19 Contingency fund of Rs 150 crore to provide financial assistance to the district and rural health cares for the poor Indian citizens.
State Bank of India	SBI employees provide Rs 100 crore to PM CARES Fund. SBI also announced to provide 0.25% of its net profit of financial year 2019-20 to combat against covid-19.
Hindustan Unilever Ltd	HUL, along with providing Rs 100 crore, reduces prices of Lifebuoy sanitizers. It also donates Lifebuoy sanitizers, Domex bathroom and floor cleaners, soaps, hand washes, health kits to the hospitals and underprivileged persons.
TCS	It prioritizes itself in providing covid-19 patient trackers, health kits, ventilators for the poor persons. TCS iON Digital Class room software empowers students for online learning facilities.
Reliance Industries Ltd	RIL provides the first 100 bed covid-19 hospital, 50 lakh free meals, one lakh masks, free fuel for emergency vehicles, daily wise 1000 PPE for health care workers. It also provides Rs 500 crores to PM CARES fund

3. REVIEW OF LITERATURE:

- Sameer Kumar Kolli, Dr. Akondi Srikanth (2020):** In their study titled “The participation of Indian firms during Covid-19 pandemic- A Corporate Social Responsibility perspective” they have brought out the CSR activities taken up by various Indian companies during Covid-19 pandemic and opines that they have involved in CSR activities in fighting corona virus situation. They also feel that study on CSR has a broad scope and there is need for additional studies to build theories on it.
- Karthik CS, Sujatha Gurudev, Poornachander B (2020):** In their study titled “Future Dimension of CSR post Covid-19”, they opine that during pandemic, corporate must focus on enhanced sufficient governance policy to attend to ethical lapse, thereby get the paramount benefit out of CSR programs. They also say that priority should be given livelihood enrichment and healthcare related programs.
- Ibn Kailan Abdul Hamid (2021):** In his study “Fighting Covid-19: The role of responsible firms” he says that some firms have been donating cash, goods and services to communities to help the governments. They also opine that firms can come up with new corporate social responsibility practices
- Andrew Crane and Dirk Matten (2020):** In their study titled “Covid-19 and the future of CSR research” they identify four key areas namely stakeholders, societal risk, supply chain responsibility and political economy of CSR, where research is been challenged by covid-19 and how forthcoming research need to be realigned to tackle them.

4. SOURCES OF DATA COLLECTION

This study has been completed based on secondary data collected from various sources such as published books, articles published in different journals & newspapers, periodicals, conference paper, working paper and Websites, etc.

5. SIGNIFICANCE OF STUDY

Covid-19 pandemic has affected almost all walks of human life and CSR is not an excuse for it. In times like these, CSR is becoming more important than ever. The corporates are bestowed with a chance to give back to the society which had backed them pre-pandemic. That need of the hour has changed the landscape of Corporate Social Responsibility upon the outbreak of Covid-19 pandemic. The corporates have started focusing on current issue and strategising concrete actions that are relevant during this situation. Therefore identifying equitable opportunity for their responsible activities and thinking through the challenges will help the corporate go a long way. This may also bring the society to normalcy.

6. OPPORTUNITIES:

6.1 Health Care:

Health care is the most affected sector of Covid-19 pandemic. With health care facilities being the battlefield, the country is falling short of the health care facilities. Post-covid era is going to be even more difficult. To address changing situation, the health care system are finding innovative ways to keep the people alive and healthy like portable digital clinics, video consultations for Covid-19 positive patients etc. Post Covid health problems also prevail in most recovered patients. Hence, the corporates have an ample opportunity here in the sector to assist the frontline workers face the situation. This includes setting up of Post-Covid Care and Rehabilitation Centre; Isolation Centres for Covid positive patients, diagnostics centres etc. Support can be given in medical products and supplies.

6.2 Connect Virtually:

The Covid-19 pandemic has prompted a paradigm shift in way people connect one another and communicate. Work from home, online classes, virtual meetings are proof for that. With social distancing becoming new norm, corporate are volunteering Virtual CSR activities. Corporate can use of such virtual platform to create awareness. They can conduct virtual events to take care of mental health of public, help educational institutions to equip themselves enabling country students to continue their education. They can plan virtual events to raise funds and donate the Covid Relief fund.

6.3 Collaborate:

In order to benefit the corporate sector, government has allowed companies to collaborate with its subsidiaries, holding or associate company and even with other entity to undertake CSR activities. In this tough times of pandemic there is ample opportunity for corporate to help the society to cope with dreadful pandemic situation by collaborating with other firms and NGOs, NPOs and conduct virtual recovery workshops to isolated covid patients, also help the vulnerable and underprivileged section of society to rehabilitate their livelihood.

6.4 Empowering the weak:

Covid-19 pandemic lockdown period has witnessed various crisis situation including issues like casual workers, small businesses, petty traders, professional staff losing their livelihood. This is a very deep rooted issue that needs to be addressed post pandemic and corporates can think in the arena. This could be achieved by focusing on aiding small and medium business, providing financial security to homeless workers, conducting self employment workshops etc.

6.5 Research:

Although the countries are managing hard to save the humanity from the dreadful virus, through various safety measures and vaccination, the mutations of the virus and post covid complications has challenged the county. To battle the situation there is need for continuous research. Corporate can pitch in here to help government optimise pandemic preparedness, capacity development and response efforts for post covid complications etc to support the continued functioning of the society.

7. CHALLENGES

7.1 Logistical challenges

Amongst various challenges faced by corporate in implementing CSR activities, logistical challenge is most common one, implying the difficulty regarding physical aspects involved.

7.2 Achieving more with less resources

As per the great economist Robbins, greater number of wants are to be satisfied with fewer resources. CSR too face this. It is therefore required to reach more needed and achieve a greater impact with less resource especially post this pandemic.

7.3 Prioritise Vulnerable and answer the Investors

Current pandemic situation has paved way to corporates to prioritise their CSR activities towards vulnerable section of society. At the same time they are answerable to their investors and other stakeholders demanding for more transparency and disclosure.

7.4 Ambiguity in CSR Laws

Another key challenge in current era of CSR is the ambiguity relating to interpreting current CSR laws that are being amended to suit the current uncertainties.

7.5 Difficulty in measuring the value

There is always difficulty in measuring the effect of CSR initiatives and the value that is built as a result as there is no adequate benchmarking for the same. It has become even more difficult to measure the current CSR activities which are modified to suit the current pandemic needs.

8. CONCLUSION:

In developing countries like India, CSR plays a vital role in the process. The covid-19 pandemic has stimulated corporates to attentively reflect on their organisational practices. It has also pushed the corporates to become even more focused on nation to back government action and reduce negative fallout. Thus Corporate can look for even more innovative CSR initiatives to bring the society to normalcy and help the livelihood.

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