

CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN THE TIMES OF COVID-19: A STUDY OF INDIA'S SELECTED MANUFACTURING SECTOR

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Abstract:

The term CSR was coined first in 1953, American economist Howard Bowen coined the term and he is often referred to as the father of CSR. In the mid to late 1800, many industrialists donated the funds for the improvement in the field of education and scientific research, but there was no such name given for such helping, it was informal. The main purpose of corporate social responsibility is to give back to the community, take a part in charitable causes and provide positive social value. Many private sectors, Public sectors and service sectors contributed to support needy people during Covid-19 in terms of cash or kind. Hence, the purpose of this study is to explore the various definitions and descriptions of Corporate Social Responsibility (CSR), focusing on the deployment of CSR practices during the Covid-19 pandemic by the selected manufacturing sector in India. The data collected for the study were from secondary sources. The outcome of the study revealed that the majority of the selected Indian manufacturing companies have undertaken various preventive and mitigation measures for enabling the stakeholders to tide over the crisis.



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Key Words: *CSR, Covid-19, Manufacturing Sector, Mitigation Measures*

Introduction:
Definition of CSR:

Corporate Social responsibility (CSR) is continuing commitment by businesses to integrate social and environmental concerns in their business operations. Changes in the global environment increasingly challenge business around the world to look beyond financial performance, and to integrate social and environmental concerns into their strategic management.

Prior to Companies Act 2013, CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was believed that every company has a moral responsibility to play an active role in discharging the social obligations, subject to the financial health of the company. In the early 90's Mahatma Gandhi introduced the concept of trusteeship helping socio-economic growth. CSR was influenced by family values, traditions, culture and religion.

On 29th August 2013, The Companies Act 2013 replaced the Companies Act of 1956. The New Act has

introduced far-reaching changes that affect company formation, administration, and governance, and incorporates an additional section i.e. Section 135 – clause on Corporate Social Responsibility obligations (“CSR”) for companies listed in India. The clause covers the essential prerequisites pertaining to the execution, fund allotment and reporting for successful project implementation.



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India is the first country in the world to make CSR mandatory, following an amendment to the corporate companies act, 2012 in April 2014. According the section 135 of companies (CSR) rules 'Every company with a net worth of Rs.500 crore or more or turnover of Rs.1000 crore or more or net profit of Rs.5 crore or more during the immediate preceding financial year, must have a CSR committee and spend at the 2% of average net profits earned during three immediate preceding financial year to CSR activities.

Covid-19 has been considered a global pandemic by the WHO(World Health Organisation). The contagious diseases tremendously disrupted socio-economic circumstances of the planet. The Government of India and State Government announced lockdown throughout the country in March 2020 in order to promote social distancing which basically directed the public to maintain distance both socially and physically. The value and importance of CSR came into focus during the times of this pandemic, which people are trying their level best to get through the challenging times. In the present era of Covid-19, the Government of India is inspiring companies to provide social support in terms of kind or cash whichever possible. Hence, the present study focused on manufacturing sectors contribution and strategic policies implemented to overcome the challenges during Covid-19 pandemic.

Objectives of the Study:

- 1) To understand the concept of Corporate Social Responsibility
- 2) To study the challenges faced by manufacturing companies during Covid-19 pandemic
- 3) To know the strategies adopted by manufacturing sector to overcome the challenges during Covid-19 pandemic
- 4) To find out the contribution made by manufacturing companies during Covid-19 pandemic.

Literature Review:

Mr.Manish kumar Dwivedi(2021): The purpose of the study was to examine the impact of lockdown on the Psychological, Social, Cultural and Economic levels. The study has also disseminated information regarding corporate social responsibility activities undertaken by the corporate during Covid-19. The researcher found that there was a tremendous effect on corporate sector due to lockdown. The profit was declined and hence, many companies shut down their business which resulted to increase the unemployment.

S.M. Ramya (2021) : The paper aims to explore the immediate proactive corporate social responsibility efforts undertaken by selected organisations. Semi structured interviews were conducted with 27 senior managers across top stock exchanges indexed organisations from the manufacturing and service sector in India. Manual content analysis and the Gioia method was used to arrive at the insights. Result of the analysis showcase the spirited immediate CSR measures undertaken by the select organisations in the broader interest of the community at large. Researcher found that out the 27 top organisations interviewed, most organisations (37%) fulfilled their social responsibility and gave to society in many different innovative ways 17% manufacturing sector donated to PM Care's fund.

Poojari Gokarna(2021) : This article provided insights into the CSR, strategies adopted by corporate in India during the Covid-19 pandemic through exploratory research. The study is based on semi structured interviews of 27 CSR managers involved in strategising and implementation of CSR activities in their respective organisation. In present study, researchers have listed down how the ongoing Covid-19 pandemic influenced the CSR or organisations in India. The pandemic has connect with society and act as a catalyst for development in the long run key CSR trends were observed basis the respondent's perception during this research.

An IICA Publication: 'Business Response to Covid-19 through CSR. The study aims to examine CSR activities for Covid-19 relief based on various areas, target groups, mode of implementation geographical coverage etc. The

objective of the report in not only to create sense of awareness and responsibility but will also foster active participation and involvement of many more organisations for the betterment of the society. The data collection was conducted through a thorough review of the secondary website, social media handles and newspaper coverage.

Archana Kol(2021): The purpose of this study was to explore the various definitions and descriptions of CSR. This paper was examined how certain CSR activities undertaken by various companies don't fit the bill from the lens of ethics, legality and business responsibility. It was a cross sectional study which involved qualitative analysis of CSR practices followed by companies operates in India. The BFSI sector plays a major role in the financial improvement of any country. BFSI sector play an outstanding role to bring out relationship between the organisation and society.

Kusumgar et al, (2015): In the article titled, 'Study of Corporate Social Responsibility with Special Reference to Selected Indian Automobile Industry', it has been explained the phases of CSR practices in India that has been highlighted on the basis of the current scenario, as well as enumerated the journey CSR practices had all over the long years. The researchers reached to a conclusion from the study that long term growth and sustainability of a company is only possible if the companies implemented CSR practices progressively.

Manufacturing Units contribution under CSR policy

Table No -1

Name of Manufacturing Unit	Contribution in Crores	Supporting to Government and NGO
Ambuja Cement and ACC	Rs.3.3 crores	Goonj , Praja foundation and Mumbai Roti Bank
State-run Coal India Ltd	Rs.221 Crores	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares)
Bosch India	Rs. 50 Crores	PM CARES Fund
NBFC Power Finance Corporation (PFC)	Rs.200 Crores	PM CARES fund
Piramal Group	Rs.25 Crores	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
Crop protection products manufacturer UPL Ltd	Rs. 75 Crores	PM-CARES Fund
Wipro	Rs.1,125 Crores	
Ambani	Rs.500	PM-CARES Fund
L&T	Rs.150 Crores	PM-CARES Fund
Marico unveils	Rs.2.5 Crores	PM-CARES Fund

Challenges faced and strategies adopted to overcome challenges by corporate sectors

Table No-2

Name of the company	Challenges faced during Covid-19 pandemic	Strategies to overcome the challenges
Wipro	1.Work from home connectivity and remote collaboration 2. Connectivity with customers, clients, supplier and partners 3.Confirming business continuously and building resilience	1.Managing the employee workforce experience 2.Leveraging Digital Technologies Optimizing and reimagining IT 3.Increasing organization resilience

Ambuja and ACC cement	Not faced any biggest challenges other than connectivity during pandemic because of availability well versed and talented workforce.	<ol style="list-style-type: none"> 1. Work-from-home arrangements for all office staff and where feasible 2. Travel restrictions 3. Adaption of our Health and Safety guidance for all our operations in relation to COVID-19 4. Group wide webinars for employees on keeping themselves and their families safe 5. Webinars for mental wellbeing and resilience
Reliance Industries (Mukesh Ambani)	<ol style="list-style-type: none"> 1. Reliance Industries Limited (RIL) is facing a few operational challenges in the current financial year (FY22), especially for Reliance Retail. supply chains of vendors are getting disrupted 2. Net profits earning goes down 	<ol style="list-style-type: none"> 1. Work-from-home to prevent their employees from being infected by the virus.
L & T Company	<p>Facing acute shortage of labour as over one lakh workers — almost half its labour — have gone to their homes in U.P., Bihar, Jharkhand, West Bengal and Orissa during the lockdown.</p> <p>3. L&T's infrastructure division, which accounts for a majority of revenues, is facing challenges due to halt of work in multiple projects across Andhra Pradesh</p>	<ol style="list-style-type: none"> 1. L&T provides in house counselling to help employees navigate difficult life situations during the pandemic. 2. Continuous communication to employees regarding health and safety advisories.

Research Methodology:

The present study is descriptive in nature which focused on the CSR practices during Covid-19 of various manufacturing units in India based on secondary data sources. The data were collected from mainly annual reports, newspapers, sustainability reporting and disclosure statements and the specific companies' websites pertaining to Corporate Social Responsibility and corporate sustainability practices in India.

Limitations and Scope of the Study:

The present study is confined to manufacturing sectors only. Its outcome may not be applicable to service sector or other allied units. The secondary data collected through Google and from research articles. Researcher can undertake the comparison study of manufacturing and service sector.

Rationale of the Study:

The spread of the virus poses a serious threat to various countries across the globe. All the sections of the people in the society are affected due to lockdown imposed by the government for breaking the chain of the spread of COVID-19. The people faced a lot of hardships due to the imposition of lockdown in India. In this context, many corporates have come forward to support government initiatives towards fighting COVID-19. They provide financial assistance in the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) and contributing in different ways to fight the virus. CSR activities include engaging in the manufacturing and distribution of masks, sanitisers, and personal protective equipments (PPEs), providing meals to the downtrodden and making arrangements for the quarantine centres, etc.



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It is observed that very few studies have undertaken on CSR policy its implications during Covid-19 pandemic. Researchers have find out the impact of lockdown on the psychological, social, cultural and economic levels. The study has disseminated information regarding corporate social responsibility (CSR) activities undertaken by the corporate during COVID-19. The present study will help to understand challenges faced by the manufacturing sectors during Covid-19 pandemic.

Suggestions:

Central and State Government should encourage the manufacturing units as well as service sectors to contribute more than the specified as per rules and regulations prescribed in the CSR policy. The Government of India should initiate an action in order to fulfil all expectations of manufacturers as when they required during their difficulties time. The companies should appreciated time to time by the government, as they more are contributor and helping government in the economic development as well as social development of the country.

Scope for further Study:

There is a further scope to conduct the same type of study at other allied sectors, where challenges and issues may not be same like manufacturing sectors. Even the present research model with little modification can be applied by other scholars for conducting research by comparing the two sectors and challenges faced by them while implementing the CSR policy.

Conclusion:

It can be concluded that corporate social responsibility has innumerable benefits that a firm receives compared to the cost used in its implementation. Through corporate social responsibility initiatives the manufacturing units were able to improve its corporate image and gain competitive advantage over its competitor. Furthermore, it can be concluded that firm disclose its corporate social responsibility (CSR) reports which shows the benefits that a company reaped from CSR initiatives. This makes the stakeholders and other community members to be aware on the role played by CSR to the firms. Additionally the study concluded that, the companies through CSR initiatives were able to address the community needs. Moreover, the companies through CSR initiatives has achieved the goal despite of various constraints like inadequate budget, population growth, technological advancement, overwhelming poverty etc

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