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Corporate Social Responsibility: Tracking The Trends

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Abstract:

The world seems to be changing at a magnificent pace. A decade of technological advance and a strong social media presence has altered the way we live and communicate. COVID – 19 has changed the way we work and connect. The manner in which corporates pursue and address their responsibilities is also transforming. Corporates social responsibility is changing in meaning and in implementation.

Over the past few years, India has inched up to become the third largest innovation and entrepreneurship hub globally. Incredible innovation is pouring in from every corner of our country. In the world of corporate social responsibility in India, CSR has evolved into a potent catalyst for social innovation. CSR has become a strategic priority for many corporates in India. Through various CSR initiatives Indian companies are not only addressing persistent social issues but also igniting innovative solutions to age-old problems. CSR evolves with the changing expectations and challenges of the society. In this paper some most important trends in CSR for the next decade and how they will shape the future of corporates and society will be discussed.

Introduction:

India became the first country in the world to make corporate social responsibility (CSR) mandatory by amending the Companies Act 2013 in April 2014. Businesses can invest their profits in areas such as education, poverty, gender equality and hunger in society as part of the corporate culture. In the past, CSR policies were optional for companies, but they were required to report CSR spending to shareholders.

WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

Corporate social responsibility is a transformational program or activity undertaken by Indian companies. The government has declared that it is a positive step towards the development and welfare of the whole society. CSR activities in India need to be aligned in some way with the socio-economic development of the society.

CSR Activities – Meaning

here is no specific definition that can adequately define corporate social responsibility activities. It is still defined under CSR legislation to help us understand and have an idea of what CSR entails. CSR activities are defined as follows.

1. Programs or projects related to the activities specified in Schedule 7; or
2. Policies or projects related to activities carried out by the Board recommended by the CSR Committee in accordance with the announced CSR Policy. It must be subject to the condition that such provision shall cover the matters enumerated in the Policy.

This definition of CSR means that it enables companies to participate in projects or programs related to the activities listed under the Policy. While eligible listed companies have to engage in CSR activities in India, the company and CSR are allowed flexibility.

The committee can decide what areas of development it wants to help in. The highlighted activities should be displayed on the website of the company (if any).

The Companies Act, April 2013

The Companies Act, 2013 introduced Section 135, a key piece of legislation that makes Indian companies accountable to the government for their CSR practices. India became the first country to require companies to include CSR activities. This is definitely an extraordinary step for progress, development and humanity.

Whether it is a private business or public sector, Corporate Social Responsibility (CSR) is something that every listed company should follow. A business should form a CSR team if it meets any of the following criteria. company:

- With net worth is Rs. 500 crore or more, or
- Whose annual income is Rs. 1000 crore or more, or
- With a net profit of Rs. 5 crores or more.

If any of the above budgets are reached in a financial year, the provisions of Article 135 apply. Prior to the introduction of CSR requirements, CSR activities in India were optional for listed companies. However, they must disclose their CSR spending to members. According to the Companies Act, priority should be given to the region in which the company operates.

CSR amendments under the Companies (Amendment) Act, 2019:

So far, if a company fails to spend all of its CSR funds in one year, it can take the excess dividend for the year and spend it in the next year.

The CSR amendments introduced under the Act now require companies to deposit unspent CSR funds in a fund specified in the Seventh Schedule of the Act These funds must be spent within three years from date a transfer, otherwise the amount must be classified in one of the incomes (specified income).

Methodology of CSR in India:

Corporate social responsibility is a way of measuring an organization's responsibility by looking at its impact on society.

A good CSR strategy ensures that the organization complies with the law and ensures that its investments respect the growth and development of marginalized communities and the environment. CSR should also be consistent and include actions that the organization can support without negatively impacting its business objectives.

Organizations in India are more prudent in adopting CSR initiatives and integrating them into their business processes.

It has slowly made its way into the Indian workplace as organizations realize that in addition to growing their business, there is a need to provide a friendly working environment and improve relations with the wider community.

Companies now have dedicated departments and teams with specific policies, strategies and objectives for their CSR initiatives and separate budgets to support them.

Often, these policies are based on societal beliefs or are closely linked to the company's industry.

Trends in CSR:

As consumers and the constraints of ever-depleting natural resources are forcing companies to make more responsible choices, more companies are incorporating sustainable strategies and adopting socially responsible practices greater than. Corporate Social Responsibility (CSR) is the business practice of pursuing social and environmental benefits along with economic benefits. As the pressure on companies to do better increases, companies of all sizes are looking for ways to integrate sustainable practices into their daily operations. Some popular CSR elements in the context of corporate social responsibility are;

CSR Trend- Digital transformation and CSR Software:

Digital transformation is making its presence keenly felt in all aspects of modern corporate operations – and the CSR initiative is no exception. As CSR greatly influences decision-making, companies need to find the right tools to scale and innovate their efforts, in order to achieve better results.

In this context, CSR software can prove to be a real game changer, enabling companies to automate their CSR efforts, helping to monitor, track and create defined goals and activities in reporting Effective CSR software means greater impact achieved in a shorter period of time, with added capabilities for lower costs.

CSR Trend – Green Technology:

Gone are the days of bulk consumption with no accountability or intention to refill. Climate change continues to drive many discussions in the corporate world, and many trends in CSR intersect with this issue. As natural resources are rapidly depleted and our world is on the cusp of a 2-degree warming trend, socially responsible companies are investing in green technologies, reducing their dependency to non-renewable resources, and with more sustainable investment You see | business.

Whether exploring alternative fabrics such as eucalyptus or recycled water bottles, cleaner carbon emissions with more stringent emissions tests, or simply obtaining certifications such as LEED on for their buildings, green technology will undoubtedly be a growing trend for companies that want to grow their Corporate Social Responsibility.

CSR Trend – Global Companies acting Locally:

Local Even companies operating globally recognize the value of local markets and supply chains. Not only is this to reduce carbon emissions that can be associated with transportation or supply chain costs, but also to utilize local talent and solutions. Many companies with a philanthropic community are also prioritizing nonprofit partners who work with local leaders and local talent, rather than "shipping" cookie-cutter solutions

In addition, CSR initiatives require active participation in projects that benefit their communities as well as benefit the company. Not only can promotional benefits be gained from community involvement, but it can also boost employee satisfaction. Increasingly, companies interested in CSR are making donations to local nonprofits, sponsoring the construction of infrastructure such as schools in low-income communities, and participating in civic affairs a it includes where they work especially corporate-approved volunteers during

holidays -Events are also an emerging CSR trend, enabling employees to volunteer their efforts and contribute in a positive way with little time it is promising

CSR Trend – Diversity and Inclusion:

As the issue of income inequality comes to the forefront of many political debates, this issue puts increasing pressure on businesses. The recognition of wage inequality and the financial burden on the shoulders of employees is an emerging trend of CSR. CSR policies such as equal pay for men and women, income differential between highest paid and lowest paid employees in the company, ensure diversity of employees and if recruitment is intentional wanting to work from difficult economic or educational backgrounds ultimately empowers local talent, bringing diverse voices to the table There is one who is here to stay.

CSR Trend – Full Supply Chain Accountability:

Companies (and stakeholders) are increasingly aware of their impact on the environment, and as a result, supply chain and CSR must go hand in hand. CSR best practices apply to every aspect of a business, including its entire supply chain.

Supply chain involves the efficient implementation of a business process and all the processes associated with the delivery of a product or service. In this context, CSR is aligned with the supply chain by assessing social and environmental responsibility – for example, by assessing all partners and ensuring that the environment responsible for the existing.

Today, entrepreneurs have to be extra careful with their employee relationships and collaboration – reputation can be at stake. As noted above, sustainability is a key component of supply chain responsibility, and as a result, organizations should prioritize the impact of production has shrunk throughout their supply chain, from the source of their goods and services to the afterlife.

CSR Trend – Enhanced, Transparent Reporting:

Reporting on many aspects of the business is an important process, allowing organizations to monitor their operations and identify areas for improvement. As a result, there is a close relationship between reporting and CSR, and clear and transparent reporting is critical. Intelligent use of data and the impact of digital transformation on companies' strategies helps them achieve more accurate and transparent reporting.

CSR Trend – A close Focus on SDG's:

In 2015, the United Nations created the Global Sustainable Goals, known as the Sustainable Development Goals (SDGs), to encourage people to protect the planet to ensure a better future for all and when companies are looking to improve their CSR initiatives, these are increasingly being used as the gold standard. The UN, the SDGs, and industry have until 2030 to make a real impact, so they have an inherent responsibility to ensure real progress here. Tracking your actions against the SDGs is a great way to communicate CSR progress against a globally recognized, proven and well-known framework.

Conclusion – Embrace the Future of CSR:

CSR represents a turning point for companies. The public, stakeholders and investors appreciate companies that are socially responsible and committed to building a sustainable future. Organizations pursuing sustainable development are better aligned with a well thought out CSR strategy. CSR represents such an important factor when it comes to employer branding and employee engagement, and companies hoping to outpace the competition should double down on this important measure.

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