A SYSTEMATIC REVIEW OF LITERATURE ON CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF INDIAN COMPANIES

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ABSTRACT

Purpose: The concept of Corporate Social responsibility (CSR) has been gaining immense significance since the last decade. Corporations have shifted their perspectives towards Corporate Social Responsibility both globally and nationally. The practices of eligible Indian companies towards social responsibility have created hype in the research area after the enactment and implementation of mandatory CSR in India. The key aim of the present study is to explore the relevant research gap and to formulate research objectives on the proposed research topic based on a few parameters.

Design/Methodology: The present study used published literature from secondary sources. Literature on the related topic available in the online database of Google Scholar, academia, SSRN, JUSTOR, ResearchGate, and sci-hub is used. Literature in the form of journal articles, reviews, books, book chapters, and working papers is used to attain the key objective of the study.

Findings/Results: The study identified a few research gaps based on the literature review and formulated the research agenda to enable the research objectives.

Originality: The study attempted to comprehend all legal aspects of mandatory provisions of CSR applicable to Indian companies, their recent trends in skill development programmes, and the impact of CSR on firm performance.

Keywords: Corporate Social Responsibility, CSR Practices, Indian Companies, Section 135 of Companies Act 2013, CSR and Skill development, Skill development, spending pattern of CSR, Skill initiatives
1. INTRODUCTION:

Corporate Social Responsibility or "CSR" is the popular term used to describe how businesses have proved social responsibility to their stakeholders through corporate philanthropy endeavours. Nowadays, "strategic philanthropy" rarely consists of genuine strategic planning and is frequently ineffective even in terms of generosity. Philanthropy is being used more and more as a kind of public relations or advertising to boost a business's reputation or brand through high-profile sponsorship or cause-related marketing (Michael E. Porter and Mark R. Kramer, 2002). These initiative aims to optimise the well-being of the stakeholders and fulfil the needs of society. CSR concept has changed the mind of the business from the mindset of the “business of the business is business” to engaging in community development along with business (Milton Friedman, 1970). Large-scale businesses can reframe the conversation about their place in society by integrating sustainability issues into their strategies. According to the triple bottom line theory, a business should look beyond the one bottom-line of profits to achieve sustainability. Sustainable management is achieved when companies are committed to their communities and the environment (Elkington J, 1998; Norman, W., & MacDonald, C, 2004; Dixon, S. E., & Clifford, A., 2007; Gimenez, C., Sierra, V., & Rodon, J., 2012). Companies can also engage in profitable strategic CSR initiatives, and a social entrepreneur takes strategic CSR one step further than profit and market value maximization (Baron, D. P., 2007). Few researchers critically opposed the CSR practices. It has not been possible to establish a good society using the idea of corporate social responsibility. Corporate social responsibility, long regarded as the missing link in capitalism by both academics and managers, has not lived up to expectations. Moreover, it has turned into a roadblock for discussions about companies and the good life. We demand the immediate elimination of corporate social responsibility because it has outlived its relatively short useful life, under its various forms (Freeman, R. E., & Liedtka, J., 1991). The idea of CSR is supported by the significant number of researchers through their positive observations and findings. Since businesses are a part of society, social repercussions are an inevitable result of their business decisions. It is the obligation of businesses to supply society with goods and services in an approach that is lawful, effective, and profitable. To attain their prime goal, they are free to engage in social initiatives that they feel are in their best interests as a company and that, in the case of publicly traded corporations, their shareholders support. The company's reputation is an asset to shareholders; therefore, these actions aren't always done at their expense (Cadbury, A., 2006). CSR is a strategy for advancing social norms to improve society's fundamental order, which we describe as a set of responsibilities encompassing both the law and social norms. Businesses are no longer as restricted by the established social order as they once were because of globalization. In a quest for ever-increasing profits, there are more opportunities to get away with less-than-ideal behaviour because each nation have distinct laws and norms (Falkc, O., & Hebllich, S., 2007). Corporations play a prominent role in the generation of income and integration of various aspects of social issues through community responsibility practices (Ashok Kumar Gupta et.al). Though in the business world respect is seen as just as vital as the bottom line, it is often associated with spirituality in India. With the growing significance of corporate social responsibility, it is imperative to examine the Indian foundation for trust (Sagar, P., & Singla, A. 2004). Being a responsible corporate citizen is becoming a vital component of business success. The secret is to adjust public expectations and priorities with your own, in addition to successfully and broadly communicate your involvement and accomplishments (Maan, P. 2014). When the Companies Act, the principal statute of Indian corporations, put mandatory spending requirements on CSR initiatives in the year 2013 transformed the situation. Since then, there have been several revisions and clarifications to the CSR legislation. Indian businesses prefer using foundations and trusts to execute corporate social responsibility (CSR). However, because these organizations run separately from the business, CSR cannot be fully integrated into the business's main activities and is instead limited to community development (Arora, B., & Puranik, R., 2004). Nonetheless, residents behave differently based on their social standing and level of political influence, with some applying pressure and influence to increase the positive effects of CSR initiatives. We contend that entrepreneurs may play a vital role in examining novel arrangements of expectations between corporations and communities, and even between various groups within those communities (Majumdar, S., & Saini, G. K. 2016).
2. RESEARCH OBJECTIVES

The key objectives of the present review of the literature study are:

a) To understand the mandatory corporate social responsibility provisions under the Companies Act, 2013 as amended up-to-date.

b) To comprehend the changes in scope and spending patterns of corporate social responsibility under mandatory provisions.

c) To identify the contribution of corporate responsibility practices to the skill development programmes.

d) To understand the prime drivers affecting the CSR-based skill programme.

e) To grasp the impact of CSR-based skill-building programmes on firm performance.

f) To find the research gap and to design a research agenda through the review of existing research work to enable the preparation of the final research proposal.

3. RESEARCH METHODOLOGY

The review of the literature was conducted through a literature survey on the online database using Google Scholar, academia, SSRN, JUSTOR, ResearchGate, and sci-hub using keywords like CSR and India, Mandatory CSR practices, Indian Companies Act and CSR, Section 135, skill initiatives and CSR, CSR practices.

The following criteria are used to conduct current literature review.

a) **Criteria 01**: Time line: literature resources published from 2018 to 2023 were considered for review.

b) **Criteria 02**: Language of Literature: Literature published in the English language is taken into account while reviewing the literature.

c) **Criteria 03**: All research resources accessible in the form of journal articles, book chapters, books, working papers, and conference proceedings are considered for systematic review of the literature.

4. SCHOLARLY REVIEW OF RESEARCH LITERATURE

The literature relating to the proposed research objectives is mainly classified into the following categories to smoothen the systematic review.

4.1. Mandated CSR in India and changes in the scope and spending patterns after its implementation.

4.2. Skill initiatives under corporate social responsibility practices

4.3. Prime drives influencing companies to contribute towards skill initiatives

4.4. Impact of mandatory CSR provisions on the firm performance

4.1 Mandated CSR in India and changes in the scope and spending patterns after its implementation

Appreciably, there are many examples of Indian businesses engaged in a variety of fields, including arts, heritage, culture, microcredit, women’s empowerment, healthcare, education, rural empowerment, hygiene, and wildlife and environmental conservation. Nonetheless, considering the economic advancement and rise in business profits on the one hand, and the reality of human poverty and development indicators in India on the other (Bimal Arora and Ravi Puranik 2004), a few research studies were recommended for the mandatory implementation of CSR. The CSR ought to be more than just a vision statement. It is mandatory for Indian firms that meet specific requirements. Additionally, the appropriate governing body needs to make sure that a particular proportion of the net earnings is required each year for the implementation of CSR activities. Companies should additionally be directed to produce a report on CSR every year in a format that is officially permitted by the regulator. The fact that CSR principles prioritize the well-being of all stakeholders, legitimate functioning, respect for the rights of employees and well-being, regard for rights of humanity, reverence for the ecosystem, and programs for community development and inclusive growth will be kept in mind by the regulator when designing the CSR format (Suman Kalyan Chaudary et al. 2011). While education, the environment, good health, malnutrition, gender equity, and women's empowerment are listed as focus areas in Schedule VII, it's crucial to always keep in mind that such areas are not exclusive of one another. As a result, it's crucial to take a coordinated approach to creating a national framework so that individual businesses' efforts complement the framework as a whole (Priya Nair Rajeev 2015).
Table 1: List of published research on the mandated CSR rules, scope, and spending patterns.

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<tr>
<th>Sl. No.</th>
<th>Focus Area of the Research</th>
<th>Observation and Outcome Research Study</th>
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<tbody>
<tr>
<td>1</td>
<td>Section 135 of the Companies Act 2013</td>
<td>India was among the first nations in the world to enact legislation governing corporate social responsibility. In 2013, the Indian central government inserted Section 135 into the Indian Companies Act. In accordance with the regulations of this Act, entities that meet a designated financial criterion are needed to allocate a minimum of 2% of their average net profit from the three previous fiscal years. Corporations having net value of rupees five billion or more within any given financial year are considered to be inside the financial thresholds.</td>
<td>Rupani J, (2022)</td>
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<td>2</td>
<td>CSR applicability</td>
<td>According to Section 135 of the Companies Act, a company must meet one of three requirements for the CSR to be applicable: (a) it must have minimum a net worth of Rs 500 crore; (b) it must have a minimum turnover of Rs 1000 crore; or (c) it must have a minimum net profit of Rs 5 crore. Furthermore, under the CSR Rules, foreign firms' branches and project offices in India are also subject to the CSR provisions.</td>
<td>Shinde, G. (2017)</td>
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<tr>
<td>3</td>
<td>Mandated CSR in India</td>
<td>The qualifying company must form a committee of the Board of Members (Board) with three or more members, at least one of whom must be an independent director. This committee will be called the CSR Committee. The committee of social responsibility would create and advocate to the Board a policy that outlined the projects and programmes to be carried out (a CSR Policy); it would also suggest the amount of money to be spent on the activities that were recommended, and it would periodically review the company's CSR Policy.</td>
<td>Lathabhavan, R. (2022)</td>
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<td>4</td>
<td>CSR spending</td>
<td>Indian companies have made efforts to meet the requirements of mandatory CSR spending. In aggregate, companies have spent 74 percent of the mandated amount, and over 2/3rd of the respondent companies have invested more than 75 percent of the minimum amount to be spent on CSR activities. MNCs have marginally performed better than the PSUs and other private sector companies. Indian companies have made efforts to meet the requirements of mandatory CSR spending and have marginally performed better than the PSUs and other private sector companies.</td>
<td>Kapoor, G. K., &amp; Dhamija, S. (2017)</td>
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<td>5</td>
<td>Trends in CSR expenditure</td>
<td>This study examined the evolving trends and patterns of CSR spending during both the compulsory and voluntary periods. Manufacturing firms began to increase their social investment on CSR efforts. That trend turned more apparent with the passing of the Companies Act in 2013. During the voluntary phase, a lot of businesses choose to fund CSR through donations rather than through spending money on social and community projects. However, during the mandated period, there was a sharp decrease in the amount of money donated to corporate social responsibility (CSR), but social and community spending has risen admirably. Additionally, companies covered by the new mandatory</td>
<td>Kavitha, P. (2018).</td>
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<td>6</td>
<td>CSR spending</td>
<td><strong>CSR clause have seen a notable increase in CSR spending.</strong> Deodhar, S. Y. (2015).</td>
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<td>7</td>
<td>CSR Spending requirement</td>
<td><strong>As per this study, companies who were previously spending in excess of two percent of their net profits can now base their expenditures on the requirements of the law and be happy to spend not beyond the 2% of their net revenue in the post-Act era.</strong> Umakanth Varottill, &amp; Aggarwal, P. (2022).</td>
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<td>8</td>
<td>Mode of implementation of mandated CSR</td>
<td><strong>The article concluded that, even though CSR spending has increased significantly overall, it is still much below the 2 percent threshold. It draws this conclusion from the varieties of empirical studies and manually collected data, including CSR expenditures made by companies comes under NIFTY 100. Though this is fair for the larger firms that make up the sample that this article looks at, not all organizations have good compliance rates. Even among the top organizations, there is room for significant positive impact in the level of disclosure.</strong> Elembilassery, V., &amp; Gurunathan, L. (2018).</td>
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<td>9</td>
<td>New development of Indian CSR practices</td>
<td><strong>The results of the study showed that there are numerous ways to apply CSR and reasons for opting for a specific one. An in-house is greater probability to be present in the local community of the sample organization. However, companies that promote long-term initiatives, operational efficiency, and direct societal impacts are more inclined to have a committed foundation.</strong> Ameeta Jain, Monika Kansal &amp; Mahesh Joshi (2021)</td>
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<td>10</td>
<td>Pressures of CSR in India: an institutional perspective</td>
<td><strong>Outsourcing CSR become a contentious matter since the law emphasizes the use of outside CSR providers, like non-governmental organizations, in the execution of CSR projects. CPSEs take a chance when they choose projects that don't align with their core competencies. Since the CSR law went into effect, NGOs' social mission perspective and degree of expertise he become even more crucial.</strong> Aggarwal, V. S., &amp; Jha, A. (2019)</td>
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<td>11</td>
<td>Corporate Responsibility in India: Academic Perspectives on the Companies Act 2013</td>
<td><strong>The reviews and professional opinions released during 2013 and 2019 identified the merits and limitations of the Companies Act of 2013. This study highlighted that among the many reasons in favour of and against the Act, those highlighting its benefits also emerge as drawbacks in other writings. This paradox illustrates the challenges that corporate responsibility initiatives in India confront in meeting stakeholder expectations. However, the Indian government can use CSR as a weapon for policy to harness the private sector's increasing success to meet expectations both locally and nationally.</strong> Bergman, M. M. et al. (2019)</td>
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<td>12</td>
<td>CSR and its spending trends</td>
<td><strong>According to the report, listed firms in India invest in social welfare, healthcare, education, skill development, environmental preservation, and PMRF. Among the various sectors, the education sector is a very popular option for sample corporations to spend their CSR funds throughout the sample period.</strong> Manner, R. (2018)</td>
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<td>13</td>
<td>Corporate Social Responsibility Reporting in India</td>
<td>In light of the 2013 Companies Act, this study investigated the disclosure of corporate social responsibility by Indian companies. &quot;Fair business practices&quot; attracted the greatest attention, then &quot;community development&quot; and &quot;environmental activities,&quot; based on an examination of annual reports. Similarly, &quot;health,&quot; &quot;education,&quot; and &quot;energy management&quot; have received the greatest consideration. The findings indicate that &quot;mining and mineral&quot; and &quot;power sector&quot; corporations are the ones that disclose corporate social responsibility (CSR) the most.</td>
<td>Maqbool, S., &amp; Zamir, M. N. (2019)</td>
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<td>14</td>
<td>CSR spending pattern</td>
<td>The other aim of the article is to review the CSR practices of Indian companies since its implementation in the year 2013 shows that the contribution of Indian companies mainly concentrated on the Health, Education, and other social sectors, while a very meagre amount is spent toward environmental issues. The study noticed another problem area lies in the pattern of CSR spent all over the countries, as states with higher industrialization set up have more share of CSR funds as compared to other states where the spent percentage is very negligible.</td>
<td>Mishra, L. (2021)</td>
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<td>15</td>
<td>Components of CSR in India</td>
<td>The study was conducted to identify the CSR practices, and analyse their manner of spending accord the private companies, MNCs, and public sector companies. The outcome of the study reported no statistically significant difference in the area and component of CSR practices. However, there are differences in the priority given to the components by these business entities.</td>
<td>Bala, M., &amp; Singh, D. N. (2020)</td>
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<tr>
<td>16</td>
<td>CSR practices and key areas</td>
<td>According to the study, sample companies were primarily involved in CSR, with spending toward key areas like empowering women, sports welfare, livelihood enhancement projects, rural revitalization projects, healthcare and sanitation, training and development of skills, art and culture, and environmental sustainability.</td>
<td>Sharma, E., &amp; Sathish, M. (2022)</td>
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<td>17</td>
<td>CSR initiatives</td>
<td>After examining the legal requirements and corporate social responsibility initiatives of Indian businesses, the author concluded that government collaboration with corporations and non-governmental organizations is necessary to leverage their combined expertise to drive significant social change and accelerate India's socioeconomic development.</td>
<td>Ramandeep Kaur (2018)</td>
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</table>
4.2 Skill initiatives under corporate social responsibility practices

The concept of skill development is widely accepted in India, where numerous policies and initiatives are being developed to promote it among the resident of both rural and urban areas (Radhika Kapur 2014). CSR can serve as a viable means of financing skill training, thereby fulfilling the population's need for such training and contributing to the nation's vocational education goals (Namrata Ghosh, 2015). The study attempted to include human resource development as a component of CSR. This paper also upholds the requirement for HRD through CSR practices (Tracy Wilcox, 2006). CSR supported skilling developments are considered a tool of inclusive growth (Poonam Singh et al. 2013). A majority of the sample firms invest in skill development initiatives, which support the development of human capital and improve individuals' employment prospects (Singh, V. V., et al. 2016). Skill-building programmes under the CSR initiatives of Indian companies will surely pave the way for employment opportunities (Dhavaleshwar C U, 2017). CSR is one of the main goals of the skill development campaign. There many lack of facilities to skill the youths and all these challenges could be mitigated by the CSR. There is a lack of facilities for training the youths, and CSR might assist in reducing all of these problems (S. Ramadorai, Tara, S. N., & Kumar, N. S.. 2016). The study highlighted the sample company's role in promoting skill development and employment-related outcomes. The main focus of DFCCIL's CSR initiatives has been skill development or vocational training programs, most likely to address the poor people's livelihood concerns in the backward areas. In 2015–16, this program was strengthened even further through joint efforts with CII and a minimum job guarantee system (Radhanath Tripathy 2017). Developing skills in a systematic way as a CSR initiative to improve employability (Partha Sarathi Basu 2019) Developing soft skills like confidence, presentation skills, language competency, and social interaction abilities while providing instruction in trade skills like carpentry and electrical empowers people through Skill Development Centers (Gopichand Katragadda, 2023).

Table 2: List of existing research on CSR-based skill development initiatives

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<tbody>
<tr>
<td>1</td>
<td>Potential to support skill initiatives</td>
<td>CSR skill-building programs are viewed as more than just value drivers. Workers expressed a clear desire to participate in the initiatives and a positive motivational influence from their involvement.</td>
<td>Sharma, S., &amp; Mishra, P. (2019)</td>
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<td>2</td>
<td>CSR initiatives</td>
<td>One can guarantee a skilled worker pool by giving the local community access to essential vocational training and skill development. The study identified that beneficial contributions made by employees via EVPs are advantageous. Corporate social responsibility (CSR) activities offer skill development and upgrades to enhance the standard of living for the nearby community and society. Thus, by encouraging an active relationship between the government and the corporate sector, skilling India's youth becomes a reality through a sustainable CSR framework.</td>
<td>Anupama Sadasivan (2018)</td>
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<td>3</td>
<td>CSR skilling</td>
<td>A certification can facilitate a student's admission to a company's selection process. Even after a difficult interview procedure, gaining employment cannot be successful if the training is of poor quality. Therefore, certification is only partially helpful. In contrast, perhaps it's not true that the skill training fails because of a lack of standard skill training provided the instruction is excellent and students are chosen based on their potential. Whether a student receives employment that utilizes her skill set determines the effectiveness of any skill-training program. It is necessary to develop the environment for CSR in skilling here. If corporations have assistance in the form of institutions from the outset, they will be encouraged.</td>
<td>Namrata Ghosh, (2015)</td>
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<td></td>
<td>Title</td>
<td>Description</td>
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<td>4</td>
<td>CSR on learning outcome</td>
<td>Analysis is done on how different attributes contribute to the overall level of impact. According to the research study, students' academic performance improved owing to the overall CSR Skill Enhancement Program in schools.</td>
<td>Shiv Nath Sinha (2018)</td>
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<td>5</td>
<td>Challenges of CSR</td>
<td>The wider Indian social environment makes it challenging to transform society from one entity. Business firms have the resources in the form of pay for personnel, skill building, planning for strategy, and the advantages of significant social change. There is a demand for an effective alliance of business firms, governments, and non-governmental organizations for better social growth in a country. A collaboration skill building programme will be effective.</td>
<td>Hole, Y., Hole, S. P., &amp; Bendale, S. (2019)</td>
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<tr>
<td>6</td>
<td>CSR and Skill Gap</td>
<td>The study emphasized the importance of CSR training initiatives as a component of partnerships and industry-academia links. The study secured the required primary data from the companies and the students who were undergoing the skill training. Corporate evaluation scores highest for decision-making and problem-solving abilities as well as ethics, and it indicates that the ability to apply experiential knowledge to solve problems in the real world is what allows B-school graduates to stand out and have an impact on global business solutions. It is clearly stated that a person's specialization choice significantly affects their capacity for decision-making, problem-solving, interpersonal interaction, and communication.</td>
<td>Kumar, R et al. (2021)</td>
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<td>7</td>
<td>CSR practices Disclosures by Indian companies</td>
<td>One of the main focus areas of CSR activities is the development of employment skills. Employable skill development accounted for 18% of the overall CSR expenditures made by the sample companies of the study.</td>
<td>Jumde, A. (2020)</td>
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<td>8</td>
<td>Contribution of CSR to higher education</td>
<td>The study concluded that CSR in education plays a crucial role in bridging the skills gap by encouraging significant experimentation and learning by doing as one goes. The impacted people, businesses, and society at large stand to gain from this process.</td>
<td>Shinde, G. (2017)</td>
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<tr>
<td>9</td>
<td>Enhancing skills through CSR</td>
<td>Employable skills and educational opportunities are made possible by the industry through the Corporate Social Responsibility (CSR) budget. Youth with exceptional potential and entrepreneurial talents can be found in semi-rural and rural locations. They require an environment that will support, develop, and provide a stage for their creative ideas to flourish. With the correct exposure to seed money, coaching, network support, and technology, their potential can be fully realized. Both the Global Competitiveness Index and the Global Innovation Index now show India as having improved. India can turn the potential of its demographic dividend into tangible results with all the necessary ingredients—the right policies, the proper skills, human capital, and connections to the academic and industrial sectors.</td>
<td>Gupta R., (2019)</td>
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<td>10</td>
<td>Preferred skill initiatives</td>
<td>According to the study's findings, skill development is rapidly taking the place of choice for corporations, particularly Oil and Gas CPSEs, as a way to confirm compliance with the Companies Act of 2013, participate</td>
<td>Behera, M. B., &amp; Gaur, M. (2021)</td>
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The improvement of effectiveness and the empowerment of individuals to operate more effectively are facilitated by skill development. The country develops into a competitive, inventive, and productive economy with highly skilled personnel. Technology disruption and globalization present both opportunities and difficulties for employment creation and economic growth.

Behera, B., & Gaur, M. (2022)

For people to survive in the modern world, education and skill-based training are essential. As a result, the TATA Group should prioritize training and focus on high-skilled fields like computer programming, sophisticated materials, medical sciences, etc.


The success of Skill India depends heavily on CSR initiatives and skills-upgrading processes. Currently, publicly sponsored projects are simply insufficient to make a significant difference. Companies are better able to comprehend what is required in different industries because they represent industry-specific requirements.

Babu, V., & Kinkhabwala, B. (2019).

The survey found that although young people have a larger need for skill development, it appears to be given less priority in the CSR agenda. The paradigm needs to change.


### 4.3 Prime drivers influencing the companies to contribute towards skill initiatives

The promotion of skill development programme is truly influenced by many factors. There exists a difference in prioritizing skill development initiatives among eligible Indian companies while complying with the provisions of Section 135 of the Companies Act, 2013. The promotion of skill development programme is truly influenced by many factors. The status of corporate social responsibility initiatives in the substantial corporate sector is well-represented in rapidly growing Indian economy. This study is thorough and adds value to the current CSR literature by examining a range of both financial and non-financial variables that influence corporate social responsibility in India (Yang, M., Bento, P., & Akbar, A. (2019).

<table>
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<tbody>
<tr>
<td>1</td>
<td>Modelling and classification of enablers of CSR in Indian firms</td>
<td>This research aimed to investigate the factors that facilitate corporate social responsibility (CSR), with a particular focus on Indian businesses. According to the current study, formal strategy formulation, corporate culture, and executive commitment are the primary factors that support CSR implementation in Indian businesses.</td>
<td>Kumar, D., Goyal, P., &amp; Kumar, V. (2019)</td>
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<tr>
<td>2</td>
<td>Determinants of CSR</td>
<td>The study's findings showed that the main factors influencing corporate social responsibility (CSR) practices are the size of the organization, total tangible assets, profit after taxes, and profitability ratio.</td>
<td>Pradhan, A. K., &amp; Nibedita, B. (2021).</td>
</tr>
<tr>
<td>3</td>
<td>Drivers of CSR</td>
<td>The study discovered that a variety of factors, such as legal and regulatory constraints, stakeholder pressure,</td>
<td>SINGH, K. P. (2018).</td>
</tr>
</tbody>
</table>
4.4 Impact of CSR skill initiatives on the firm performance

CSR activities, while not exclusively charitable, add to a company's overall beneficial social impact (True Tamplim, 2023). Many businesses are unwilling to get involved in CSR initiatives because they fear that these initiatives will not enhance their bottom line or performance in the stock market. Still, this study's empirical findings imply that CSR initiatives can result in long-term business success.

Table 4: List of literature reviewed concerning with impact of CSR-supported skill programmes

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<tbody>
<tr>
<td>1</td>
<td>CSR and firm performance</td>
<td>The study aimed to evaluate how well Indian firms performed under the country's mandated CSR spending program. The study observed that corporate performance and CSR initiatives relate to one another. According to the survey, public sector companies in India comply with the mandated CSR expenditure regime. The performance of private sector companies that meet the mandatory CSR expenditure criterion is not significantly different from that of the companies that do not achieve this criterion.</td>
<td>Garg, A., &amp; Gupta, P. K. (2020)</td>
</tr>
<tr>
<td>2</td>
<td>Mandatory CSR of India and its impact</td>
<td>This article aims to provide insights into the effectiveness of obligatory CSR spending and how it affects corporate profitability. This research focuses on the relationship between corporate profitability and corporate social responsibility (CSR) spending before and after mandated spending for large Indian corporations. The analysis discovered that the introduction of mandated spending caused a structural breach in this relationship.</td>
<td>Mukherjee, A., Bird, R., &amp; Duppati, G. (2018).</td>
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<td>Who benefited from mandatory CSR?</td>
<td>The study examined the value of the impact of mandatory CSR spending required by the Indian Companies Act, 2013 for large and profitable Indian firms. The results of the study revealed that profitable firms and firms of the FMCG sector benefit from mandatory CSR provisions and Industrial firms and firms with huge capital expenditures are negatively impacted by the mandatory CSR provisions.</td>
<td>Aswani, J., Chidambaran, N. K., &amp; Hasan, I. (2021).</td>
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<td>Impact of CSR</td>
<td>The study investigated the perception of officers and employees at different levels above the impact of CSR. The findings conclude that perceived impact is significantly different among the sample respondent group.</td>
<td>Gujrati, P. (2023).</td>
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<td>Mandatory CSR in India and its effect on corporate financial performance</td>
<td>The findings clearly show that CSR regulation has changed the amount that both required and voluntary spenders spend on CSR. Spending on CSR has decreased among voluntary spenders while it has increased among forced spenders. Nonetheless, the overall effect was favorable, as the required spenders increased their level of corporate social responsibility more than the voluntary spenders decreased their level of CSR spending.</td>
<td>Nair, A. K., &amp; Bhattacharyya, S. S. (2019).</td>
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<td>Institutional pressures and CSR</td>
<td>The purpose of this study is to validate a model that, within the framework of institutional theory, integrates pressures, CSR implementation, and financial performance through reputation. The study concludes that primary institutional pressures for CSR implementation in India are the local population, the governing body, peers, and the media as a whole. The relationship between financial performance and CSR implementation is somewhat mediated by reputation.</td>
<td>Aggarwal, V. S., &amp; Jha, A. (2019).</td>
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<td>Legal effects and CSR</td>
<td>The paper examines how the institutional forces that exert coercion in a company's home nation influence the growth of corporate social responsibility initiatives. The key finding of the study stated that firms' commitment to social responsibility and the environment is significantly impacted by coercive pressures. A legal system analysis reveals that companies in common law countries are less interested in CSR practices and information disclosure than companies in civil law countries; companies operating in institutional environments with a large and developed legal system geared towards stakeholder protection are most likely to act responsibly. Thus, the findings demonstrate that companies have varying degrees of CSR dedication to sustainability when conducting business.</td>
<td>Amor-Esteban, V. (2018)</td>
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<td>Impact of mandatory CSR</td>
<td>Before Section 135 most companies allocated less than 2% of their net profits to corporate social responsibility (CSR). After the implementation of this statute, eligible large companies meet these provisions.</td>
<td>Dharmapala, D., &amp; Khanna, V. (2018)</td>
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<td>Effect of mandate CSR</td>
<td>The article explores how academic research on CSR has affected corporate valuation, earnings, tax evasion, accounting standards, and other firm-level variables.</td>
<td>Shaw, T. S., Raithatha, M., Krishnan, G. V., &amp; Cordeiro, J. J. (2021)</td>
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<td>CSR disclosure determinants</td>
<td>The findings indicate that while both business age and financial power harm governance scores, they have a favourable influence on CSR, environmental, and social disclosure scores. All four disclosure scores have a positive correlation with the size of the firm. When it comes to CSR, ecological, and societal disclosures, foreign ownership has a favourable influence while promoter ownership has a negative one. The control variables and the governance disclosure score do not correlate. Additional investigation reveals that this link differs at times of stress.</td>
<td>Fahad, P., &amp; Nidheesh, K. B. (2020).</td>
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The study identified that sample companies play a prominent role in addressing social issues through the implementation of CSR practices. Pasumarti, S. S. (2020).

There is a positive and substantial correlation between CSR Communication and (Variable) Corporate Social Responsibility. Additionally, there is a positive and significant correlation between (Variable) Corporate Social Responsibility and Firm Performance. Mitra, N., Akhtar, A., & Gupta, A. D. (2018).

The findings demonstrated that economic corporate social responsibility (CSR) raised the market value of restaurant businesses by promoting community-based initiatives and providing higher-quality goods to customers. Based on a positive corporate image, investing in the community increases the likelihood that restaurant businesses will be able to secure high-quality human resources. These findings imply that restaurant businesses can achieve sustainability by developing positive associations with local communities. Shim, J., Moon, J., Lee, W. S., & Chung, N. (2021).

5. CURRENT STATUS AND RELATED ISSUES

Despite a large rise in investment, the Ministry of Corporate Affairs (MCA) has drawn attention to the little effect of corporate social responsibility (CSR) initiatives in India. The MCA reports that expenditure on CSR increased by 80% from the financial year 2016 to Rs 26,210 crore in the financial year 2021. Nonetheless, there is a need to increase these funds' effectiveness and exposure because their impact is not being felt by everyone (Banikinkar Pattanayak, 2023). A framework for social audit standards has been released by the Institute of Chartered Accountants of India. To carry out area-specific social audit engagements about particular theme areas under social objectives like poverty, the environment, health, wellness, etc., this Framework does not set standards or give specific requirements. Following the ideas in this Framework, social audit standards provide crucial guidelines and standards for conducting area-specific social audit engagements. For the social indicators unique to a given location, consult the corresponding social audit standards. (Rasheela Basheer, 2023). All eligible Indian companies should strategically plan their CSR practices. The government wants to increase candidate training to meet the rising demand, therefore businesses will be encouraged to hire people for skill development. According to the source, to facilitate simpler transactions for such CSR activities, the government is also looking into the potential of developing a "Skill Wallet." (Yogima Seth Sharma, 2023). In India, several companies reported their information on their CSR practices is on a decreasing trend; it decreased from 21525 in the year 2017-18 to 18623 in the year 2021-22, and the number of CSR projects implemented increased from 26584 to 42440 from 2017-18 to 2021-22 (Figure 1). The total amount spent on CSR expenditure by Indian companies increased from Rs.17098.57 crore in the year 2017-18 to Rs.25932.79 crore in the year 2021-22 (figure 2),
6. IDEAL SOLUTION, DESIRED STATUS AND IMPROVEMENTS REQUIRED

Indian corporate sector should develop the best corporate-based CSR approach that balances regional disparities with national priorities. Companies implementing CSR projects must ensure that the beneficiaries take advantage of the projects to achieve their objectives. For proper investigation, analysis, and assessment of corporate social responsibility transparency in reporting is to be maintained by companies. The CSR committee of companies conducts the progress meeting of the projects executed with the implementing agencies.
7. RESEARCH GAPS

7.1. Research Gap 1: Mandatory CSR Provisions in India
Mandatory legal provisions relating the corporate social responsibility in India have been thoroughly investigated and reviewed to identify those enterprises camouflage CSR expenditure. Even though little quantum of studies were conducted on this, there is a greater scope to research the same.

7.2. Research Gap 2: Changes in the scope and pattern of CSR expenditure
The intensive literature study identified a lot of new changes in the scope and pattern of CSR expenditure among Indian companies. This paved the way to conduct exclusive research on this research gap.

7.3. Research Gap 3: Contribution of CSR practices of Indian companies to skill development Programme
A detailed review of the literature on skill development initiatives covered under section 135 of the present Companies Act was conducted. The study noticed that skill development is recognized as an important activity among the CSR practices by the Indian companies under the mandatory legal provisions of CSR and also identified that there is a chance to undertake detailed research on the noticed research gap.

7.4. Research Gap 4: Prime drivers affecting the skill building programme under CSR
The review study identified that many variables influence the CSR practices of Indian companies. There are chances to conduct research and develop a conceptual model in this regard.

7.5. Research Gap 5: Impact of mandatory CSR provisions on firm performance
The present study pointed out that activities undertaken by Indian companies under CSR practices truly affect their performance. There is a greater scope to conduct research in the present CSR legal regime.

7.6. Research Gap 6: Factors influencing the skill expenditure on CSR and conceptual model
The present study observed there is no conceptual model was designed and constructed between the variable CSR skill building and factors affecting the same. This provides a chance to research this aspect.

7.7. Research Gap 7: Impact of CSR activities on firm performance
The study noticed that there were exclusive studies on the impact of CSR-funded skill-building programme on firm performance.

7.8. Research Gap 8: Perception of CSR implementing officers, employees, beneficiaries
The review study explores a few studies were attempted to know the perception of CSR officials, employees, and beneficiaries on the whole CSR practices but not on the CSR-based skill development initiatives.

8. RESEARCH AGENDA
(1) To review and understand the present Indian CSR legislation as notified by Ministry of Corporate Affairs.
(2) To study the changing trends in coverage area and planning and allocation of expenditure to meet their social responsibility provisions by the Indian companies.
(3) To investigate the contribution of CSR practices of Indian companies to the skill development programmes.
(4) To identify the primary factors that influence the skill-building activities undertaken by Indian companies under section 135 of the Companies Act, 2013.
(5) To develop a conceptual model of CSR based on key variables affecting the CSR based skill building activities of the sample companies.
(6) To examine the impact of CSR-based skill-enhancing practices on the firm performance.

9. SWOC ANALYSIS OF RESEARCH AGENDA:
Strengths:
(i) The proposed research study aimed and planned to understand thoroughly the present legislation on corporate social responsibility.
(ii) The study agenda primarily focused on the CSR-based skill development initiatives undertaken by Indian companies.
(iii) The study will shed light on the mandatory CSR activities.
(iv) The proposed study assists the policymakers, companies, and stakeholders in understanding the impact of compulsory provisions of CSR.
Weaknesses:
(i) The use of data sources relating to the topic leads to the accuracy of the outcomes of the study.
(ii) The above-desired objectives are subject to time bound and judgmental.

Opportunities:
(i) Investigation, analysis, and assessment of corporate social responsibility practices by the Indian companies covered under section 135 of the Companies Act, 2013.
(ii) Identification of the main variables that influence the present CSR practices of large Indian companies helps to design a new conceptual model and construct a regression model.
(iii) Highlighting of role and contribution of CSR practices of Indian companies will help the implementing company and beneficial stakeholders to implement and use it to a greater extent.

Challenges:
(i) The accuracy of the proposed study will be based on the CSR disclosure and reporting by the sample companies of the study.
(ii) Collection of unbiased primary data on the proposed research objectives from the respondents including CSR officials of the companies and beneficial stakeholders is a challenging task.

10. CONCLUSIONS
The entire study has critically reviewed earlier studies on corporate social responsibility in India. The study focused on and analysed the prior studies' four primary parameters—mandatory CSR provisions and evolving trends in spending patterns and scope, CSR-supported skill development practices, factors influencing CSR, and the impact of CSR practices on firm performance—and emphasized and analysed earlier research. Enhancement of skills of Indian youth is the need for the hour. Indian companies support skill development through CSR funding. The study observed there is a lot of change in the engagement of Indian companies in CSR practices after the implementation of mandate CSR. There is an opportunity for researchers to investigate, analyse, and assess corporate social responsibility-supported skill development initiatives.

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