CORPORATE SOCIAL RESPONSIBILITY IN THE TIME OF COVID-19

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ABSTRACT

The purpose of this study is to integrate all the facts and concepts related to corporate social responsibilities especially in unprecedented situation called COVID 19. The authors explain what all activities contribute to corporate social responsibility and how various organisations are capitalising this situation to build up their brand and establish rapport with their customers and stakeholders. Drawing on amendment in Companies act 2013 and its repercussions in the company’s policy and CSR practices, this study examines role played by Companies act in providing solutions to major issues like malnutrition, Poverty, Unemployment through CSR. Study results indicates changes in funding scenario in NGO during pandemic and problem and challenges faced by NGO in raising funds from the organisations as companies have reduced their CSR budget due to pandemic. The CSR experts need to generate a combination of multiple strategies and customised solutions to handle the economic issues and problems

Keywords: Corporate social responsibility; Corporate philanthropy; COVID 19

I. INTRODUCTION

In today’s world Corporate Social Responsibility is a familiar term for the consumers as well as to the shareholders at national as well as international level. Contributing to social cause is equally important as distributing the dividends to the equity shareholders in all types of enterprises. With the attainment of personal goals there is also a need to achieve philanthropic goals of society. Well built and continuous CSR policies of enterprises are gaining popularity in such a way that they are leading and making the company customer friendly. There are number of issues of society that are being focused by the company in order to cover their philanthropic goals such as releasing carbon in environment or hiring workforce on ethical and moral grounds, etc. Corporate formed their CSR activities in such a way to focus the modern consumers of the society. CSR began with so many potential plans and policies to gain the relationship between modern customers and product brand, meanwhile company has also focussing on various policies to modernize CSR and suddenly we face a pandemic, all know it as COVID 19 or Corona virus disease.

Until now, we are too able to overcome the effects of this epidemic. Higher authorities are trying to cover-up the challenges developed by this disease through locking down the humans and stopping them to going outside as this is a highly communicable disease. This disease is also getting transferred through non-living objects that are prevalent in nature. The whole economy of our nation has just stopped due to coronavirus. Our economical, professional and personal lives are suffering and they are just standstill with the growth of this disease. By using the values of CSR the new short term challenges as well as long term challenges can be meeting upon. In this time of apprehension and uncertainty, one of the best practices of CSR is to use human face by indulging them both financial as well as non-financial grounds on business entity. This is the best time where we can consume our inculcated values of CSR in this challenging session. In this time, we can only hope for the safest and best possible solution to overcome from this situation. The topmost priority of the companies should be to safeguard their employees and providing all the safety measure to their workforce. Working from home is the best flexible option we can give to our employees because today we need to take care of our elders and children’s as well which is obviously making our responsibilities double. Stress free environment and work pressure can be ensured to the workforce as all are facing so much of trouble regarding our lives.
The ruling government in Karnataka region has just announced to twice the fare charges because the vehicles will return back with empty seats. According to the new amendments companies need to contribute some amount to the WHO care fund even if they are not distributing salaries to their workforce. There is a ample of debate to say that this PM fund is considered to be Corporate Social Responsibility or not. The government has already said that this fund will be used for the persons that are affecting or affected by this pandemic. There is no sign and information of how the government will consume the given fund for the general public. It has been notified that hundreds of companies are donating the funds to the PM fund under the CSR activity.

Recently in NCR, the government ordered the concern authorities to develop the database of people who are suffering from hunger or need help. Approximately 1200 government employees are maintaining this data in order to provide relief and food packages to the people. They are also trying to distribute the ration kits for those respective people. The rough estimate was around 22000 ration kits which contributed by National Agriculture Cooperative Marketing Federation and Corporate social responsibility.

Toyota Kirloskar motor has undertaken several measures to fight against COVID 19 under its Corporate Social Responsibility. The measures include providing health and safety measures to Karnataka Government. Toyota has provided thermal scanners, sanitizer bottles, bedding consumables, Blood pressure monitoring machine, face masks and different needed material. Vikram Gulati who is the senior VP, and head of CSR and Corporate governance in a recent updates added they are trying to provide relief and compensation to their internal employees as well as to the affected persons from this disease. The company also contributed an amount of approximately 2 crores rupees to the CM fund of Karnataka state. TKM is also giving maximum support to the Karnataka government by providing food rations and benefitting many people along with its shareholders and partners.

Coal India has donated 221 crore rupees to PM Fund voluntarily to contribute Corporate Social responsibility which consists of one-day salary and the labour workers have donated 160rupees for the CARES fund. This fund will directly have spent to fight against the COVID 19 pandemic.

Indian Navratna, a mining Company is all set to make all the possible efforts to continue the supply of its iron ore in the mines of Bailadila which is situated in Chhattisgarh. Government of our country has put the services related to iron ore in an essential mode of services. As per the instructions of Ministry of Steel, company has taken various measures to prevent their workforce in the environment of its plants and mines. The company is also formulating various measures under its CSR activities to treat the peoples suffering from COVID 19 disease in collaborating with the district administration.

The Leader and councillor of Opposition in Municipal Corporation, Devinder Singh Babla, and Chandigarh donated approximately 700 PPE kits and 100 bottles of sanitisers to Mandip Singh Brar, Deputy Commissioner of Punjab. Because of acute shortage of healthcare supplies in the market Councillor has taken this initiative for the betterment of society. At the time when patients approach to the hospitals the vital task to attend the patients is to have properly sanitized high quality suits to prevent the disease are necessary, and hence this is considered to be a part of Corporate Social Responsibility.

In the scenario of coronavirus, there is a need to understand the status of pre and post coronavirus status of corporate by using the corporation theories. Data from 6000 firms all around the country in the first four-month session of year 2020 by considering all the related traits of the firm revealed the stock price reactions all across the firms after the COVID 19. They are also evaluating the traits between the corporate and CSR for this pandemic (Wenzi Ding, Ross Levine and Chen Lin, 2020).

Corporate Social Responsibility in the healthcare sector is very recent in nature. Because the healthcare practices in itself is social in nature. There is a need to review the relationship between social responsibility and healthcare sector. Keeping in mind the contributions of various CSR practices and thus revealed that there is a positive relationship between Healthcare sector and Corporate Social Responsibility (Fabrizio Russo, 2016).

In order to understand the present application and communication in healthcare and Corporate Social Responsibility, the researcher has gathered various publications regarding CSR in healthcare sector. Thus, concluded that healthcare organizations are using various tools in implementing CSR in the health sector (Gianpaolo Tomaselli, 2016).
The modernised need in healthcare sector requires incorporared values and policies of social responsibility at managerial level. There is a need of contemporary as well as modern context to implement CSR at worldwide level in healthcare sector. The significant approach of using and communicating CSR is mixed strategy approach i.e. digital as well as traditional. The awareness regarding implementation of CSR in healthcare sector is also growing at a fast pace (Lalit Garg, 2020).

Events of 2019

2019 is considered to be the big year for Corporate Social Responsibility as many events have happened in this year. The recent amendments in Companies Act 2013 have considered CSR a serious platform. After the new inclusions which stated the companies to seriously follow the companies Act 2013, as non-compliance of this provision may lead to serious imprisonment. Finance minister’s declaration regarding the provisions of CSR made it a legal procedure to be followed while doing business. Some of the events of events of 2019 are as follows:

In January, NASSCOM foundation held a CSR conference in Mumbai. The main objective of the conference was to discuss and discover some innovative ideas and approaches of Corporate Social Responsibility.

In February, Myntra has marked a world record in collecting unused clothes and footwear through its different users in exchange of some points; the concern company has donated these clothes to the poor and needy people under its CSR activity.

In April, a group was formed to launch CSR board which included the Corporate Social Responsibility heads of 27 big companies. The objective of the group was to engage all the middle level managers as the part of discussion in the development of CSR.

In July, after contributing to Kerala Relief fund and Cyclone of Odisha government has made the dispensation that any company contributing to any relief fund shall be count as amount contributes towards CSR.

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<tr>
<th>Activities considered as CSR expenditure</th>
<th>Activities not considered as CSR expenditure</th>
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<tr>
<td>Amount contributed to Prime Minister’s Care Fund</td>
<td>Amount contributed to Chief Minister’s fund</td>
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<tr>
<td>Amount contributed to State Disaster Management Authority</td>
<td>Payment of salary of the employees including the contractors</td>
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<tr>
<td>Any amount directly or indirectly related with COVID 19</td>
<td>Payment of wages to temporary workers</td>
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Impact of Coronavirus on Indian NGOS under Corporate Social Responsibility

After facing this epidemic, all the CSR contributors and NGOs are trying to provide immediate relief to the affected persons in the form of ration kits and necessary food supplies. This initiative will help the NGOs in brand and image building in the long run. In recent interviews with CSR heads, CEOs and NGOs, which was held to find out the expected outcomes in and post COVID time period. The basic objective of this survey was to find out the best possible outcomes post this pandemic. Analysis of data shows different perspectives according to different funders.

NGO perspective: - Most of the NGOs revealed that they are not able to fetch their previous contacts in terms of funds. The CSR funders are not in a favour to give their funds to NGOs because of lack of fund.

CSR Perspective: - The rate of funding will diminish from 60 to 30 percent. The CSR functioning as well as funding will also going to change after this lockdown period. No sign of the funds consumption as it all depends upon the survival of disease.

CSR funders are trying to cut down all the expenses related to funding of different NGOs. This is not clear as how they will go to reduce the implied cost. The near plans of companies reveal that they are formulating the plans according to COVID 19, along with their respective NGOs. The assumed measures include health related
awareness, awareness regarding social distancing, skill training, etc. In addition to this, Corporate are planning to provide relief from post COVID 19 situations.

II. CONCLUSION AND DISCUSSIONS

After the amendment of companies Act 2013, the law has provided us the essential guidelines to deal with all the required and important issues of our country. These issues include malnutrition, poverty, unemployment, agricultural productivity; circumstances arise from natural calamities, etc. In order to overcome and plan the outcomes, CSR measures will play a vital role in dealing with all these issues. There is no single strategy which can handle the economic situations of our country, because all parts of our country are varied in terms of shape, size, density op population hence we no single policy of CSR can benefit the society. The CSR experts need to generate a combination of multiple strategies and customised solutions to handle the economic issues and problems. Secondly, there are two segments which comprised our economy or society, one is urban sector and another is rural sector. Urban sector comprises of corporate, literacy, employment and production. Rural sector is just the inverse of this and includes poverty, illiteracy, non-productive activities, and unemployment. Therefore, there is need to balance the two sector in one fold. Corporate needs to setup their industries in rural area to provide employment for the rural people and in return to get the advantage of cheap labour. On the other hand, one should setup various basic amenities to the rural sector such as schools, health centres, etc.

We require some policies which can easily be executed. Ground level planning and implementation through CSR will mould the economy. Innovation and creativity can help to build out policies according to the economic crisis of our society. Technology driven policies and infusion of technology is equally important in implementing the policies of CSR. The technological advancement and infusion includes agricultural productivity advancement, animal husbandry, academic advancement, healthcare facilities, etc. For example, in the case of coronavirus, if our rural healthcare centre would be advanced enough to tackle the arising cases then there will definitely be decline in patients suffering from the respective disease.

With the technology, innovation and advancement, we all must propagate and formulate our policies for the future uncertainties. Unlike India, all the other countries are preparing the antidote for the future as well as for the present situations. We have somewhere a mild controlled situation because of lockdown. We do not have enough resources and technology to be spent on making vaccine against corona virus. Our government spend 5 percent on NGOs and 1.5 percent on social programs; there is also a need for planning the future conditions.

We all know that we have lack of resources; therefore, we need to plan accordingly. According to the current scenario, our country has dropped down five years back from now in terms of economy. The condition is still deteriorating just because of span of control. Our government is trying and giving their best efforts in controlling this worst situation. Corporate and Industries are also facing a big disturbance as the whole mankind has stopped because of this pandemic. The only thing which can save our economy is good social being.

REFERENCES