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Corporate Social Responsibility and it's Shift towards Academia and Industry

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ABSTRACT

While much of the literatures concentrates whether corporate social responsibility (CSR) spend towards social good, we take more specific perspective of when CSR pays and for whom? Nowadays businesses target to take CSR programs and make impact on areas which have more correlation with their business objectives. Education is important part of every business plan since the need of literate is necessary to create best human capital and in turn, it ignites the industry. This study explores positive CSR effect on academia with relation to industry.

Keywords: Corporate social responsibility, Social good, CSR Policy, Academia, Industry.

I. INTRODUCTION

“The obligation of businessmen to pursue policies, to make decisions or to follow lines of action that are desirable in terms of the objectives and values of society”³

- Howard R. Bowen, Economist

This definition does not imply that businessmen are members of society who lack the rights to criticize the basic human values. However, it is assumed that they are also servants of society, they should not regret socially accepted values or place their individual values before the needs of the society. When we discuss about the phrase “the social responsibilities of corporates or businessmen should look into economic activities that fulfil public expectations. Social responsibility implies public posture towards societies economic and human resources and a desire to see how the resources are being utilised for broad social ends and not only for the narrowly circumscribed interest of private persons and firms.

Corporate Social Responsibility (CSR) is a type of business self- regulation with the aim of socio accountability and making a positive impact. CSR is gradually increasing among national and international business. They consider that including activities related to social and environmental good into company's operations as a positive contribution to society. A firm can

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³ P.44, Social responsibilities of the businessman by H.R. Bowen.

only be successful if interest of all stakeholders involved are satisfied, considering society as the main stakeholder and to give in return to society from where they have taken the resource. Mahatma Gandhi popularised the idea of trusteeship as a means of promoting socioeconomic development in the early 90s. Traditions, family values, culture, and religion all had an impact on CSR.

According to population census of 2011 nearly 144 million Indian population is between age 18- 23, the target age group for higher education, so to get skilled set of man power it is always been said that education sector is necessary for the development of society i.e., an education provider to being a national build up centre. The roll of academia and industry have developed to such an extent that it contributes to social schemes and development with concern. Nowadays academics and industry have turned up complimentary to each other as academia provides the fuel to the industry and in turn industry boosts academia.

(A) Objectives:

1. To understand the shift of academia to CSR from CSR to academia in India.
2. To know the connection between academia and industry and how industry get benefited through CSR.

(B) Research Methodology:

Our research paper is based on secondary data and hence explanatory in nature. The data's have been thoroughly analysed for preparing this paper. The secondary information has been gathered from different scholar's books, research publication e-books, articles published in different journals, notices, conference paper, websites.

II. LEGAL FRAMEWORK ON CSR:

On 29th August 2013, The Companies Act 2013 replaced the Companies Act of 1956 made it mandatory for companies in India. The concept of CSR is governed by clause 135 of the Companies Act, 2013. The CSR provision is applicable to companies which fulfils any of the following criteria during the immediately preceding financial year:

1. Companies having net worth of rupees five hundred crore or more, or
2. Companies having turnover of rupees one thousand crore or more, or
3. Companies having a net profit of rupees five crore or more.

Note: A company which does not satisfy the specified criteria for a consecutive period of three financial years is not required to comply with the CSR obligations.

A company which satisfies the above conditions must constitute a CSR Committee of the Board to formulate and monitor the CSR policy of a company to formulate and recommend CSR Policy specified in Schedule VII of The Companies Act, to recommend the amount of the expenditure to be incurred, to institute transparent monitoring mechanism, and to monitor the CSR policy. The Board of Directors shall ensure that company spends, in every financial year, at least 2% of the average net profits made during the past three consecutive financial years.

III. EDUCATION BEFORE CSR IN INDIA

There were times when India faced darkest times of children being forced to work instead of going to schools and receive education. By the enactment of Right to Education Act 2009, which enforce free and compulsory education for children between 6 to 14 years, lots of children are being deprived of education.

Every year huge number of children get enrolled in government schools but only few complete elementary successfully. The reason is quality of education in government and government aided school lacks basic amenities, adequate infrastructure, adequate professional teachers, effective teaching methods and management, etc. The dropout rate is higher among girls than boys. The suspect-able reason can be poverty, unemployment, discrimination on basis of caste, sex, race and other social barriers. When it comes to higher education number of aspirants is greater than number of seats in university. However, plenty of private universities have been opened but the fees of such universities and colleges are very high that low-income group of students cannot afford. Government alone can't tackle this situation as they lack resources therefore, intervention of corporate sector and education is needed. organisations goodwill is public image is also enhanced by its social responsibility program. According to a survey, people tend to buy a product more if it is associated with any CSR program.

For example, ITC is known for donating profit margin from stationary items purchased by customer to welfare schools supported by it. They advertise what they do and in turn they got boost in sales figure. This helps them in public image, publicity and also helps in branding.

IV. NEED FOR CSR TOWARDS EDUCATION IN INDIA

Corporate social responsibility initiatives are starting to adopt a more focused approach as companies look to address issues that are related to their own operational objectives. Since there are demands in all subject areas, all geographic locations, and for all types of individuals, education plays a significant role in the plans of many enterprises. The fact remains that educational outreach initiatives have the power to significantly and enduringly impact all parties concerned. A corporation can effectively improve its reputation while making a positive

impact on society by engaging in CSR activities. Companies that become involved in educational activities project a positive picture of caring about the future and the younger generation. International business tycoons such as Coca-Cola, Nike and Google, are frequent sponsors of school projects, and also establish independent functional organizations devoted to educating the young generation.

In India, CSR has been performed for a very long time; corporations such as Tata Steel started doing CSR as early as 1907. The majority of businesses create and put into practice a multifaceted plan for the local communities' development, therefore Deloitte India carried out a study utilising data from the top 91 Indian companies to better understand the nature of CSR activity and their CSR policies and spending areas. The top 50 National Stock Exchange (NSE) listed businesses (based on market capitalization) are represented in this sample. These businesses comprise the top 28.31% Multinational Corporations (MNCs), 25.27% Public corporations, and 38.42% Private enterprises that do business in India.

Focusing on multiple intervention areas. The two primary areas of concentration for CSR initiatives among the top 100 firms are health and education. Based on the available statistics, the education sector received ₹2,940 of the ₹5,705 crore that was allocated as CSR between 2016 and 2017 and 2020 and 2021. The health and environment sectors received ₹1,517 crore and ₹822 crore, respectively⁴.

The Act provides that a mandatory contribution to CSR is required, and one of the approved activities is education. This need for CSR, which has increased institution funding, has primarily benefited the education sector. CSR in Education has mostly involved steps to promote education, scholarships, increasing Access to education and higher education. Other CSR initiatives for the education sector that are becoming more and more well-liked include libraries for rural school education, constructing restrooms and other facilities, and encouraging gender equity by focusing on girls.

The worst phase is still in effect. In India, 11.4% of students are unemployed even after receiving an education, and over 8 crore children are forced to labour rather than attend school or college. The dropout rate or the cause of these circumstances is India's lack of high-quality education and training for skill development. The previous five years have seen significant funding for education come from both corporate social responsibility (CSR) and the government's education budget.

⁴ National CSR portal

V. ROLE OF ACADEMIA IN CSR

First CSR used to boost academia but after drastic growth of academia, now in turn its boosting CSR. This topic aims to understand role of academia in CSR. The educational institutions are heavily involved in giving education while also participating in nation building. Academic institutions largely support trusts and NGOs that brings change in society. There are more societal changes as a result of immense contribution from academics and educated class will have the impact on the society. During the course of providing social service, thee well educated and mature individual have extended their immense support. Most of the leading NGOs in our nation constituted by educated people. This automatically lead a just state to welfare state by taking care of medical and health wellbeing, skill development, etc. So, when a person is educated, he or she will make measures to develop their surrounding like Community development (better living standard, better health and hygiene, better infrastructure), Economic development (employment generation, industrial practices, entrepreneunal boost), Social cultural development (sharing best societal practices, uplifting the masses, awareness camps) which all automatically paws way for development of society.

VI. CSR MODELS FOR ECUCATION SECTOR

There are three models that have been adopted by different corporate time and again to carry out CSR activities in the field of education whereby the corporate has chosen to be a programme owner or a fund provider or an implementation partner:

1. Corporate have conceptualized the initiative as well as implemented it on their own if not with a partner entity like an NGO.
2. Corporate have provided financial or material support to development initiatives in education run by NGOs, government institutions or other corporate.
3. Corporate have helped in designing and implementing development initiatives of third-party initiatives of third-party entities such as government, other corporate and multilateral organizations.

The core strategy in all three models involves the following steps:

1. Identification of the area of intervention/involvement and the scope of work.
2. Identification of the beneficiaries (Demographic Profile - location, sex, category, age, type of school supported).
3. Identification of the sources of fund to create a sustainable model (internal, external, donor engagement model).

4. Designing of an appropriate/dedicated team with the right organizational structure to run the initiative (Finalize organizational structure, recruit key personnel, Recruit Local people/volunteers).
5. Identification of Key Stakeholders for the programs.
6. Formulation of a strategic plan for the initiative (Defining objectives, Resource Mapping, Awareness Programmers, Trainings for internal/external/NGO members).
7. Mechanism for Monitoring & Tracking Success (Financial Monitoring, Identification of KPOs, Impact Assessment at regular intervals, Internal Mechanisms to measure/report utilization of funds to the donors, Mechanisms/frequency of reporting to the donors involved, mechanisms for taking feedback from donors, Identification of templates/tools to be used to record report on initiatives).
8. Ensuring sustainability and replicability of model.

VII. CONNECTION BETWEEN ACADEMIA AND INDUSTRY

The Academia links itself with the industry by providing a platform for the industries to nurture the youth talent. Academic institutions serve as the industry's incubators. The skilled force hired by the industry from academia decides the future of the industrial economy. Education allows young people to the industry with their organised, innovative ideas & thinking. Additionally, academia serves as a platform for the research orientation that mostly supports the industrial role. In a similar way, the industry and academia work together to give students exposure to the industry through internships and jobs. As part of its CSR, the industry provides financial assistance to academia through grants for students, development money for institutions, and other means.

VIII. BENEFITS OF INDUSTRY THROUGH CSR

Industries that practise Corporate Social Responsibility (CSR) can benefit from,

1. Enhanced Customer Loyalty and Brand Reputation: Values are important in today's conscientious consumer environment. Consumers are gravitating more and more towards companies that practise environmental and social responsibility.
2. Increased Productivity and Engagement: Modern workers want more than simply a wage. They seek purpose and want to work for companies that make a positive impact. Prioritising corporate social responsibility (CSR) in industries makes workers feel proud of and connected to their work, which boosts motivation, engagement, and productivity.

Businesses like Unilever, with its aspirational sustainability targets and community involvement programmes, observe increased employee engagement and retention rates because workers believe their contributions go beyond generating profits.

3. **Lower Risk and Costs:** Proactive corporate social responsibility (CSR) aims to reduce risks and minimise expenses rather than just giving to charity. For instance, making investments in environmental sustainability can result in lower energy and resource usage, which over time can save a substantial amount of money.

In a similar vein, employing moral labour standards and seeing to the welfare of employees might avert legal problems and harm to one's reputation, thereby lowering financial risks.

4. **Better Stakeholder Relations and Stronger Communities:** Businesses play a vital role in the communities in which they operate. They can address needs in the community, generate employment and opportunities.

IX. NATIONAL CSR AWARD

Government of India and Ministry of Corporate Affairs has instituted National Corporate Responsibility (CSR) Award to recognize companies that have made a positive impact on society through their innovative and sustainable initiatives. All the companies registered under the Companies Act 2013 and complying with provisions of section 135 of the Act are eligible for nomination. This award is the apex recognition of CSR in India. On 29 October 2019 first CSR Award ceremony was organized as Hon'ble President of India as Chief Guest.

The initiation was brought to encourage companies to spend an eligible CSR amount, to recognize the impact, innovation, environmental issues, sustainability etc., and to channelize CSR Activities of Corporates so that the benefits of their activities reach the marginalised sections of society and remote areas of the country. There are three award categories, in that they have mentioned some National Priority Areas I which CSR can be concentrated more, in that education is the top most priority and followed by skill development, livelihood, agriculture, health, environment, sustainability, women and child development, etc.

In 2019 National CSR award was bagged by Hindustan Petroleum Corporation Limited for contribution towards education and Mahindra and Mahindra Limited got Hon'ble mention likewise Hindalco Industries Limited for contribution towards skill development and livelihoods and JSW Steel Limited got Hon'ble mention and so on.

X. CONCLUSION

CSR is represented by the contributions undertaken by companies to society through its core

business activities, its social investment and philanthropy programmes and its engagement in public policy. It is important to restructure education policy in India and that can be possible only with the intervention of the MNCs responsibility towards society by providing funds for research and development, organizing various workshops, training and development programs, cross over exchange programs, infrastructural support and last but not least providing facilities for qualitative education with non-profitable from it amid by some corporates. The Author comes to a conclusion that academia plays a huge role in CSR and that it is mostly supported by efforts of various societal groups. The relationship between society and the field of education is highlighted in this paper. The society's industries are crucial to carrying out social obligations. There is a reciprocal arrangement whereby the industry supports academia and vice-versa.

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