

Transforming CSR (Corporate Social Responsibility) Practices in India Through Technology

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ABSTRACT

Corporate Social Responsibility (CSR) has emerged key component for Organizational strategy globally. In Indian context, incorporation of CSR as a mandate has made it more important, but by the involvement of technology impact of CSR activities can be maximized. This report examines how adoption of technology can make CSR practices in India more impactful, transparent. It looks at how CSR efficacy, accountability and transparency may be enhanced by digital tools, data analytics, and cutting -edge technologies like blockchain, artificial intelligence (AI), and the Internet of Things (IoT). The report also covers the prospects and difficulties of using technology in India for social impact and sustainable development.

INTRODUCTION

Recent decades Corporate Social Responsibility(CSR) has become more and more popular worldwide. In India concept of CSR become more prominent after mandating it into Companies Act, 2013. According to the Companies Act, 2013 corporates having specific financial criteria must contribute a portion of their profit into CSR. However, because of problems with selection of activity, utilization of fund, innovation and impact evaluation , the efficacy of CSR activities has frequently been questioned. Incorporating technology can transform the CSR practices by increasing transparency, accountability and impact.

EVOLUTION OF CSR IN INDIA

Corporate Social Responsibility has a lengthy history in India, initially it was done by corporates on voluntary basis. However, incorporation of Companies Act, 2013 made CSR mandatory for eligible corporates, which helped the current notion of CSR. Even though it was criticized frequently about reach, sustainability and accountability of CSR Activities in India. Better outreach and more efficient use of resources are made possible by the digital era, which has given CSR a chance to develop.

ROLE OF TECHNOLOGY IN ENHANCING CSR EFFECTIVENESS

Technology can play a major role in enhancement of efficacy of CSR initiatives. Many of the issues frequently raised about CSR initiative can be resolved by the use of technology, particularly software solutions. Following are some of the ideas wherein with the integration of advanced software tools the overall objective of CSR can be achieved:

1. Enhancing CSR Project Accountability by the use of Software

CSR software improves accountability and transparency by assisting businesses in efficiently tracking, managing and reporting their CSR actions. Social Media, Websites and dedicated CSR portals are example of digital platforms that enable businesses to transparently publish and monitor their CSR initiatives. By the way of real-time reporting methodology, these systems makes the entire CSR process more transparent.

Technologies like Blockchain can be used by the corporates to make immutable records of all of their CSR initiatives, ensuring funds are being used appropriately and that the outcome can be tracked in a transparent manner.

Case – I (IBM-International Business Machines)

With the use of latest technology like Block-chain, IBM is creating impact in social activities by connecting all

the stakeholders on a same platform which is a trusted, temper-proof and single window view. One of social initiative of IBM which has created Plastic Bank and helping more than One billion people in areas of high poverty and high plastic pollution to transform their lives. They are using this solution, which is built on Block-chain technology and collects and trade plastic waste for the items they need most. Such kind of initiatives may help in solving big global problems, providing financial inclusion for the poor and enabling transparent social plastic recycling system.

2. INCORPORATION OF GEOGRAPHIC INFORMATION SYSTEM(GIS) BASED CSR PROCESS

Geographic information system(GIS) based approach in CSR process can improve resource allocation, monitor the regional effects of CSR initiatives, and guarantee more precise targeting of CSR initiatives. Further, comparative study can be carried out to standardizing CSR reporting practices across all the sectors and a standard reporting structure can be derived to communicate the CSR efforts more effectively.

3. MOBILE AND INTERNET BASED PLATEFORMS FOR COMMUNITY ENGAGEMENT

In the present scenario the Mobile based application have become popular tool for engaging community in CSR initiatives. These kind of applications allow Corporates to have a direct connect with the local community or beneficiaries to collect feedback and to ensure that the CSR project perfectly align with the need and expectations of local community.

4. USE OF DATA ANALYTICS AND ARTIFICIAL INTELLIGENCE

Corporates may access the success of their CSR initiatives with the aid of Artificial Intelligence (AI) and data analytics. Corporates may pinpoint areas for development, allocate resources optimally and improve the efficiency by making data driven decision making.

Case – I (Tata Consultancy Services)

Tata Consultance Services leading global IT services and business solutions organization, adopts data driven insights to increase the reach and impact of its CSR initiatives. Through data analysis and constant monitoring from several stakeholders, Tata Consultancy has used data analytics to increase the impact of its CSR programs specially in its initiatives like healthcare and education. Additionally, by automating the process related to TCS community outreach initiatives , the solution frees up valuable resources that can be allocated to core programs and help the TCS CSR team to make decisions faster and Data-driven. The data lake enables visualization tools and produces automated reports that assist CSR team members in prioritizing resources according the the needs and potential effect of the local community.

5. INFUSION OF INTERNET OF THINGS (IoT) FOR SOCIAL INITIATIVES

Corporates may measure and lower their Carbon Footprint by using IoT devices to assist and monitor environmental indicators in real-time basis. Business may improve sustainable practices by gathering data on say energy usage & waste, waste management, and water usage & waste through the use of IoT-enables sensors.

Case – I (Mahindra and Mahindra)

Mahindra & Mahindra (M&M Limited), globally leader in Farm equipment(Tractor) manufacturer has effectively used IoT to generate data based decisions. M&M is providing a device connected with the specialized mobile-app which enables owner of equipment to track the performance, improve income and manage maintenance. They can monitor the downtime of equipment and prevent the unauthorized usage of their equipment as well. The same technology is being used in enhancement of crop yield by monitoring the water usage and optimizing irrigation system, which promotes sustainable farming, cost saving as well water conservation.

BENEFITS OF TECHNOLOGY-DRIVEN CSR PRACTICES

1. COST SAVING

Infusion of technology can help corporates to accomplish their social goals in efficient way. By devoting more resources on technological advancement, corporates may lower the operational expenses related to CSR initiatives.

2. ENHANCEMENT IN STAKEHOLDER ENGAGEMENT

Mobile app, internet based applications allows a free and better communication and engagement within the all stakeholders of social initiative. These stakeholder includes employees, customers, suppliers and importantly community / beneficiaries. Use of social media may spread a wider publicity of CSR initiative and encourage broader participation of beneficiaries. Free flow of ideas, feedbacks, involvement may help in creating more impactful CSR activity.

CHALLENGES IN USE OF TECHNOLOGY

1. LESS ACCEPTANCE OF TECHNOLOGY IN RURAL INDIA

Though technological involvement will always benefit the stakeholders in a longer run, but at the same time there are several challenges, which need to be addressed. Technological literacy among the rural community also lacks, which creates difficulty in acceptance of technology driven CSR initiatives.

2. TECHNOLOGICAL INFRASTRUCTURE IN RURAL PART OF INDIA

Since most of the Indian population resides in rural part of Country and there is lack of access to the basic technological infrastructure. Moreover, use of technology in rural developmental initiatives also sometime challenging.

3. HUGE INITIAL INVESTMENT COST

Technology can bring transparency, accountability and high impact on CSR initiatives, but at the same time it involves huge initial cost also. Technologies like Block-chain, Artificial Intelligence, or IoT may be a barriers for some of the corporates.

CONCLUSION

Technology is having a significant and growing impact on how CSR is practiced in India. By the use of digital tools and platforms may increase significant changes in the efficacy, transparency and accountability of CSR initiatives of Corporates. However, if corporates wish to use technology in CSR, they must address the challenges like lack technological infrastructure & awareness, Data security etc. With the right funding policies, and partnerships, technology can help India's CSR scene move towards more effective and inclusive social development.

REFERENCES

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