Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

The Impact of CSR Policies on Corporate Profitability in India

[1]Dr. Raja Bhoj Sharma, [2]Akansha, [3]Aakash Deep
[1]Assistant Professor, Department Of Commerce
Swami Shraddhanand College, University Of Delhi, Delhi
[2](Net. June 2024), Research Scholar
University Department Of Commerce,
B. R. Ambedkar Bihar University, Muzaffarpur
[3]Resource Person, University Department Of Commerce And Management
B. R. Ambedkar Bihar University, Muzaffarpur
Corresponding Author :-
Akansha

ARTICLE INFO

Received: 20 Sep 2024

Accepted: 25 Dec 2024

ABSTRACT

Corporate social responsibility involves organizations not only serving their stakeholders, but also benefitting society. Business expectations have evolved over the past 25 years: corporations are now expected to do more than generate profits; they are also expected to play a direct role in supporting the welfare of society. This has created more attention on CSR policies and the relationship with the profitability of corporate. India has one of the fastest rising economies and is the vast waste holder of opportunities for businesses. But along with such growth also has challenges like poverty, inequality and environmental sustainability. Consequently, there is increased pressure on India operating IT companies to embrace responsible business practices. This study analyzes CSR policy with corporate profitability in India. Its goal is to study if these initiatives solely generate long-term financial returns for the company or are deemed an cost' by organizations, with no financial results in return. The objective of this research is to observe the relationship between CSR policies and corporations profitability in the Indian business environment. The study uses both quantitative and qualitative approaches to gather facts from different sources including annual (and sustainability) reports and interviews with managers from selected Indian organisations . The sample includes companies across different industries such as manufacturing, services, and banking. CSR expenditure as the dependent variables, while return on assets (ROA) and return on equity (ROE) used as the independent variables to analyze the relationship between the predictor and criterion using regression analysis.

Keywords: CSR (Corporate Social Responsibility), Profitability, Challenges, Poverty, Inequality and Financial Performance:

INTRODUCTION:

Above the historical few years, we are seeing more and more companies meet the demands towards social responsibility and giving back to the community. As a result, several Indian organizations are beginning to take CSR policies into account while resonant out their individual work. This essay aims to critically assess the implications of CSR policies on corporate profits in India. In the era of globalization, companies contend with a pervasive landscape where social responsibility shapes how their brands are perceived by the public. CSR is often used to indicate effective companies that are perceived as ethical or reputable, which in turn encouragements consumer behaviour and buying decisions. Also, for companies operating in India, CSR function leads to increased profits if they implement proper CSR policies. This will enable organizations to contribute to building a better society, while tackling some of the greatest insistent common problems, such as poverty, education, health care, and justifiable progress, thus positioning them as responsible citizens. In addition, CSR policies can lead to operational efficiencies and cost savings for businesses too. For example, employing renewable energy sources often cuts down on emissions while driving down electricity prices in the long-run. Likewise, if you implement ethical sourcing practices, you can build a better relationship with your suppliers and also potentially save up some cost. Furthermore, effective CSR initiatives can improve brand image, and shows the company's focus on Viable growth allows cultivating devoted associations with present customers as well as

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

potential customers. In the wake of social media, where information spreads quickly, if there are any adverse effects related to society or environment due to a business activity, it can tarnish the reputation of a company. To conclude while CSR policies maybe an investment from companies from the outside these policies benefit the corporate world drastically in the long run.

LITERATURE REVIEW:

The topic of CSR has grown helpfulness just for its potential impact on companies' profitability, particularly in India where it is a new concept. A 2017 study found that BSE-listed organisations with higher levels of CSR engagement had better financial performance and market value.

Various scholars have taken notice of the relation between CSR policies and corporate profitability and, subsequently, conducted a number of studies in this field. A paper that is one such study is that by D P Yadav (2018),to investigate the encouragement of the CSR activities on firm profitability in Indian organisations listed in the Bombay Stock Exchange (BSE). Data from 2009-2016 were analyzed in this study and it was found that corporations who spent more in CSR exhibited improved return on assets and return on equity ratios. This means that organisations that participated in social responsibility activities would realise benefits such as improved overall financial performance (more generally aligning business ethics with the bottom line).

Mehta and Berry (2016) studied the impact of CSR policies on the profitability of listed companies on the NSE over a six-year period in India. In order to do so, they took secondary data from yearly reports and created a sample comprised of 30 companies with a split between two groups one with high CSR scores and another with low. Their research showed that higher CSR corporations have better monetary performance than lower CSR companies.

The case ranges true for under developed countries like India, where CSR activities by companies were made mandatory by law and companies with certain earnings have to allocate a share of their profit for such activities. Numerous studies have been done to analyze the effect of these CSR policies on corporate profitability in India. A study by B.K Dutta et al. (2015) found a optimistic association between CSR expenditures and profit habits in Indian companies.

RESEARCH GAP:

Studies on CSR and financial performance in Indian organisations are scarce compared to other countries. These industries contribute to one of the best diverse economies in the world, in the world's largest economy; yet fall behind in other sectors. One of the significant contributing factors to this gap is attributed to the dearth of accessible data on the CSR activities and financials of Indian organisations. It is noteworthy that CSR itself is a relatively new practice in India, with many companies just beginning to formalise such initiatives. Consequently, only a few sources of reliable data for researchers to obtain data exist. To one side from these there are measurement issue on both CSR and profitability front in Indian context. In addition to differences in reporting, cultural nuances have encouragement how this information is interpreted and acted on across organizations, making it challenging to derive accurate insight from available data.

ISSUES OF IMPLEMENTING THE CSR POLICIES SUCCESSFULLY BY THE COMPANIES IN INDIA:

The rapid economic growth in India has led to an increase in CSR practices, but there is still a lack of consciousness and considerate about CSR among businesses. For many organizations, it's just a charitable act rather than a core part of their overall business strategy. The absence of clear government guidelines on CSR activities is another problem leading to confusion on what is considered the correct object to do in the name of CSR. It may even result in the misappropriation or apportioning of overweight funds paid to fund social welfare projects. In addition to the aforementioned scepticism, lack of transparency and accountability in CSR reporting practices has fuelled scepticism on CSR efficacy even further.

- **Absence of a Comprehensive Legislative Framework:** The failure of companies to implement efficient CSR policies in India can be attributed in part to a lack of a comprehensive legislative framework. The result is a confusing situation from which it is difficult for companies to derive a holistic CSR roadmap.

- **Resource Constraints:** Most Indian businesses are SMEs and have deeper pockets. These organisations frequently face challenges reallocating money to meet required CSR obligations that could dampen their bottom line. Larger companies might face resource constraints as well, even if they have multiple locations to develop impactful CSR initiatives.

- **Engagement with Stakeholders:** The engagement of all stakeholders including employees, local communities, NGOs, and government agencies in the formulation of effective CSR policies is vital for the achievement of CSR policy implementation. However, businesses often find it difficult to manage these different groups and their individual needs.

- **Challenge in Impact Measurement:-** Yet another challenge the companies face is the measuring the real impact of their CSR initiatives. This gap leads many companies to struggle to accurately evaluate the social and environmental impacts of their initiatives, resulting in challenges to reporting results and justifying expenditures.

- **No will power:** For certain businesses, the CSR spend is perceived as an overhanging cost in addition to other expenses and salaries, instead of an incentive to future profit generation and sustainability. As a result, they could lack the incentive to pursue substantial CSR initiatives, or, might opt for less costly choices that are not impactful to society.

- **Delayed Results:** Time and patience is well needed to implement effective CSR policies and be patient with the result as results may take long due to numerous reasons like bureaucratic delays, poor infrastructure, political instability etc. which are the challenges most of the companies working in India face.

CSR IN INDIA: GOVERNMENT RULES AND INITIATIVES:

CSR is not just about ethically responsible business behaviour anymore, but also about its competitive edge and in some instances, its profitability. The GRI standards guide businesses in implementing sustainability practices within their operations and decision-making processes. It includes human rights, including labor relations, environmental protection, consumer protection and community development.

Besides to these regulations, Indian government has also thrown number of programs aimed to promote certain sectors of social responsibility through Sarva Shiksha Abhiyan (SSA) to promote education, National Rural Health Mission (NRHM) to enhance health, Swachh Bharat Abhiyan (Clean India Campaign) to improve environmental condition and the like. These campaigns stand as opportunities for companies wanting to take a substantive step toward changes we want to see in our world while bolstering how you score on the reputation index.

The laws or initiatives deliver a fertile situation within which industries can engage in social responsibility and as a result, improve their bottom line through the development of enduring relationships with their stakeholders, their brand, and through improved employee engagement.

EVOLUTION OF CSR IN VARIOUS OTHER COUNTRIES AND ITS EFFECT ON PROFITABILITY:

Corporate Social Responsibility (CSR) is a well known and widely celebrated term in the current world not only in India but too all across globe. CSR Policies Many countries have introduced CSR policies require businesses to take responsibility for the impact they have on society, the environment and their stakeholders.

Another argument against CSR is that it is not profitable. Common wisdom suggests that by investing in social and environmental initiatives, a company's profit margin will shrink, prompting the question if CSR is worth the investment at all. And so to put this into context, we can see also how other countries do this and see the impact within corporate profits.

The good news is that in the older few decades, especially in Europe, there have been hard works across the continent to make CSR practices a societal norm. This was originally implemented by Denmark in 2008 and has since been adopted in a number of other European nations plus France, Germany, Sweden, Netherlands, Norway, etc. Companies over a certain size will need to report their non-financial performance at least annually and will be liable for penalties.

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

The outcome has been rather encouraging as several researches have divulged the significant relation between appropriate CSR& enhanced business performance. Unlike Europe's hard-lined stance on CSR reporting, the United States adheres to a policy of voluntary disclosure whereby companies are encouraged (but not required) to disclose their non-financial performance. However, despite the difference in approaches to regulation, through mandatory reporting rules, between Europe and the US, both experience similar outcomes in terms of improved profitability when impactful CSR programs are enacted.

Additionally, Japan has developed the Keidanren Viable Management Declaration, which is among the earliest laws that push companies to take on viable business practices. The initiative aims to drive viable value making for all participants and enhance global competitiveness.

The profitability of CSR has been found to be progressive in around the world countries. As consumers become increasingly aware of the need for ethicality and sustainability, they are beginning to favour brands that engage in strong CSR efforts in a way that leads to both increased customer loyalty and higher long-term profits.

Although CSR policies can create extra costs for businesses in the short-run, the long-term trajectory has remained overwhelmingly progressive for profitability in numerous economies. The integration of responsible practices recognizes that good for the company is good for society and the environment, and vice versa moral and financial imperatives are not in contradiction. Therefore, it becomes important for Indian Corporations to commit themselves fully to CSR in directive to endure a competitive edge in a constantly changing global market.

What can we expect for the future outlook of CSR policies and profitability in India?

CSR advice will remain an essential component of commercial enterprises in India, and, first and foremost, CSR and corporate strategy will remain larger in the future, not less. Under the Companies Act 2013, there are also mandatory CSR spending provisions enforced by the Indian government. This trend is only going to keep growing as stakeholders are increasingly more aware of issues faced by societies, like poverty alleviation, education, healthcare, and environmental sustainability.

Additionally, in the context of globalization and rising competition among competitors in industries, organizations desperately contacted ways to get differentiated from their homologue mates. Implementing effective CSR policies can provide organizations with a unique competitive advantage by adopting responsible business practices. Such is the case in Tata Group's commitment towards viable development by factoring in environment in day-to-day operations. This not only boosts the company's image but also entices potential clients who prioritize eco-sound products and services.

Companies can also increase profitability and revise their social responsibility by lowering operational costs e.g. energy efficiency improvements or implementation of ethical supply chain management processes.

Moreover, with investors worldwide increasingly focusing on ESG (environmental, social & governance) factors, demand for socially responsible investing (SRI) options in India is on the rise. Companies with CSR value system earn money and become attractive businesses because socially conscious investors consider what company group to invest in and would definitely be focusing more on companies that focus on CSR values rather than just focusing on the money only.

RESEARCH OBJECTIVE:

CSR is one of the basic terms elect used in the corporate world today, and more and more corporations are implementing various CSR policies. It is mining for how society can advantage from its resources, employee involvement, and its business activities contributing towards a greater purpose. But, as debates about CSR have increased, the empirical evidence of CSR's impact on corporate profits has remained low. As one of the fastest-growing economies in the world, India has seen a significant shift toward CSR activities in the recent past.

These study aims are:

- The study aims to find out the relationship between corporate social responsibility (CSR) policies and profitability of Indian companies.

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

- To examine various types of CSR initiatives adopted by Indian organisations and analyse their effects on profitability.
- To find out the main elements that encouragements the success of CSR policies along with point in training corporate profitability in India.
- To evaluate the financial performance of companies with good CSR initiatives versus the ones with no initiatives.
- To examine the perception of stake holders (such as investors, customers and employees) for socially responsible (CSR) companies and measure its impact on profitability.

Hypothesis:

H0: CSR policies do not show a destructive effect on the bottom line of Indian companies.

H1: CSR initiatives can entail progressive financial implications for Indian corporates.

RESEARCH METHODOLOGY:

CSR policies and their impact on corporate profitability has always been an area of interest for India. Given the growing emphasis on corporate governance and responsible corporate citizenship, hundreds of Indian companies have integrated CSR in their mainstream strategy. Nonetheless, the relationship of CSR measures with corporate profitability specifically in India remains underexplored. The above gap needs to be closed with a robust research methodology. The initial approach would be extensive review of existing literature pertaining to CSR and its worldwide encouragement on the profitability of organisations and more specifically considering India. Giving you a valuable insight into the existing state of information and where more research is needed. It is now the time to gather primary data on different stakeholders (company representatives, shareholders, employees, customers, NGOs and government officials) via surveys or interviews. These stakeholders can offer insights into their perceptions and experiences concerning CSR policies and their view of how it has impacted corporate profitability. For example, besides collecting primary data, secondary data (like company financial reports) from different companies with well-known CSR programs can also be analyzed in order to check for any variance in standings of fiscal performance post-implementation.

RESEARCH QUESTION:

- What is the impression of CSR policies on profitability of Indian corporations?
- So what according to you are the major deciding factors between success and failure of CSR initiatives in India?
- Does strong CSR orientation makes a sizable difference in profitability of listed companies in India?
- In India, how much do shareholders take into account a company's CSR activities when making investment decisions?
- Does Corporate Social Responsibility affect financial performance in Indian organisations?

Data analysis and data interpretation methods:

Data of 200 respondents will be analyzed using IBM SPSS24 software for additional examination which allows advanced statistical analysis of data.

Data discussion:

In India, Corporate Social Responsibility policies have increasingly become a mission statement for companies in instruction to realise a competitive advantage. The move to a more socially responsible model is driven not just by ethical considerations but also by the realization that this can aid and abet a corporation's bottom line. By engaging in active CSR practices like responsible sourcing, environmental sustainability or supporting social causes, businesses can improve the way consumers view their brand. This was also able to translate to customer loyalty and trust that the brand offers excellent products or services, leading to increased sales revenue. In this study we used statements regarding the

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

impact of CSR policies on corporate profitability in India to analyze the satisfaction of individual with them on a five-point scale (1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree).

Statements:

1. CSR policies have a progressive impact on corporate profitability in India as they help companies build a strong brand image and reputation, leading to increased customer loyalty and sales.
2. Employees are more likely to be motivated and engaged when working for business that values social obligation, resulting in higher productivity levels and reduced turnover rates.
3. Effective implementation of CSR policies can enhance brand value for companies, creating them smarter to investors who seek socially accountable investments with long-term potential for growth.
4. CSR activities can support decrease costs by promoting efficiency through responsible resource management.

1. CSR policies have a progressive impact on corporate profitability in India as they help companies build a strong brand image and reputation, leading to increased customer loyalty and sales.

Table 1:

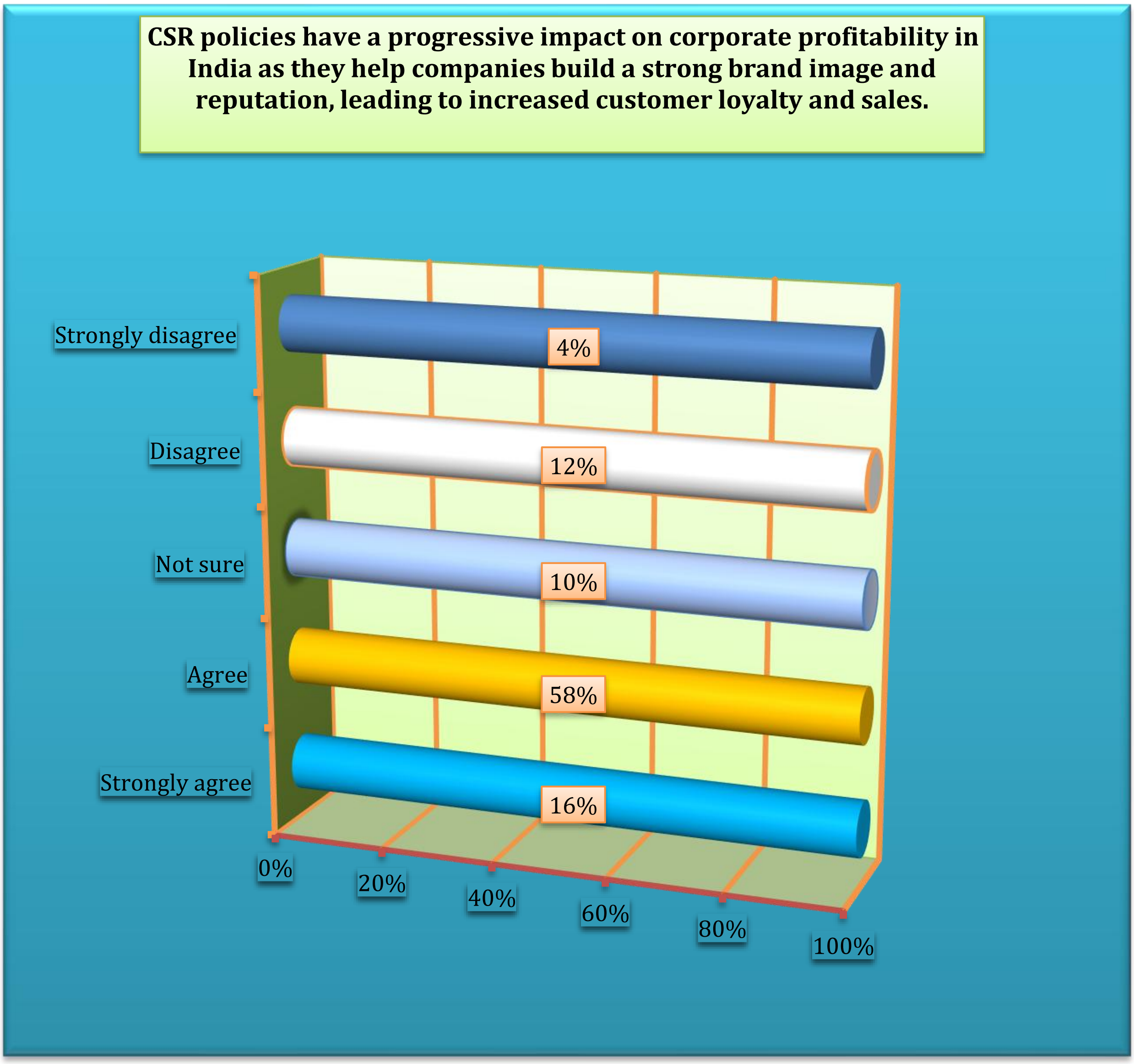
CSR policies have a progressive impact on corporate profitability in India as they help companies build a strong brand image and reputation, leading to increased customer loyalty and sales.

Options	Frequency	Percentage (%)
Strongly agree	32	16%
Agree	116	58%
Not sure	20	10%
Disagree	24	12%
Strongly disagree	8	4%
Total	200	100%

Source: Primary Data

Interpretation:

Of those surveyed 58% agree, 16% strongly agree, 10% not sure, while 12% disagree and 4% strongly disagree with the statement that CSR policies have progressive impact on corporate profitability in India as it helps companies to build brand and reputation which leads to higher customer loyalty and sales. This remarkable agreement suggests a strong conviction among the majority that CSR is not just an ethical responsibility, but a vital part of the successful business strategy playbook. Almost 74% of the data is illuminating and adventurous at the same time as people seem to truly realize via this survey that responsible acts start to contribute to a world that is not only trustworthy but too economically Viable like sun flowers facing and seeking the light of consumer awareness.



Source: Primary Data

Fig. 1: CSR policies have a progressive impact on corporate profitability in India as they help companies build a strong brand image and reputation, leading to increased customer loyalty and sales.

2. **Employees are more likely to be motivated and engaged when working for business that values social obligation, resulting in higher productivity levels and reduced turnover rates.**

Table 2:

Employees are more likely to be motivated and engaged when working for business that values social obligation, resulting in higher productivity levels and reduced turnover rates.

Options	**Frequency**	**Percentage (%)**
Strongly agree	**36**	**18%**
Agree	**112**	**56%**
Not sure	**18**	**9%**

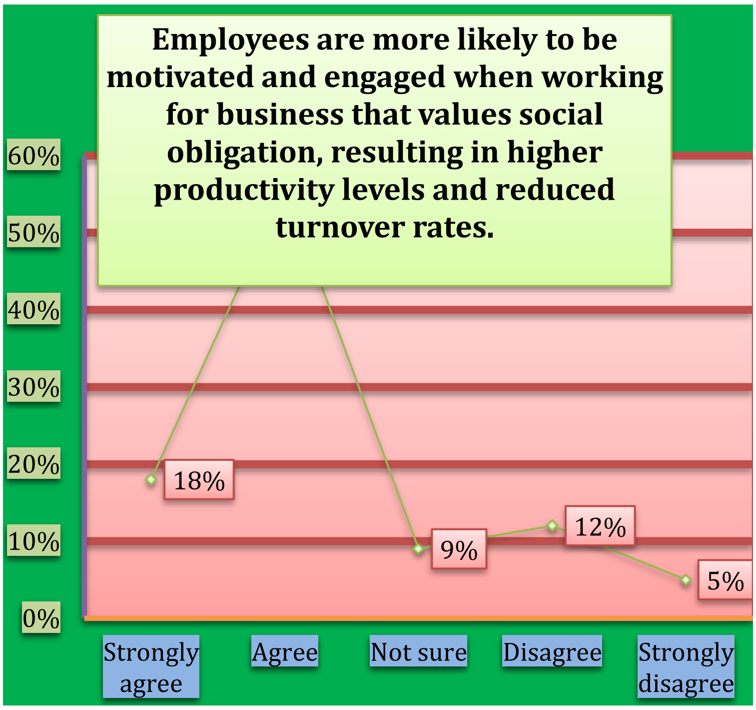
Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

Disagree	**24**	**12%**
Strongly disagree	**10**	**5%**
Total	**200**	**100%**

Source: Primary Data

Interpretation:

In this survey, 56% of respondents agree, 18% strongly agree, 9% not sure, 12% disagree, and 5% strongly disagree with the statement on employees being more likely to be motivated and engaged when working for business that values social obligation, resulting in higher productivity levels and reduced turnover rates. This compelling evidence suggests a resounding recognition of the powerful intersection between corporate ethics and employee satisfaction. The majority view reflects a burgeoning belief that when organizations prioritize social responsibility be it through environmentally Viable practices or community engagement initiatives, they cultivate a workplace culture infused with passion and purpose.



Source: Primary Data

Figure 2: Employees are more likely to be motivated and engaged when working for business that values social obligation, resulting in higher productivity levels and reduced turnover rates.

3. **Effective implementation of CSR policies can enhance brand value for companies, creating them smarter to investors who seek socially accountable investments with long-term potential for growth.**

Table 3:

Effective implementation of CSR policies can enhance brand value for companies, creating them smarter to investors who seek socially accountable investments with long-term potential for growth.

Options	**Frequency**	**Percentage (%)**
Strongly agree	**36**	**18%**
Agree	**110**	**55%**
Not sure	**16**	**8%**

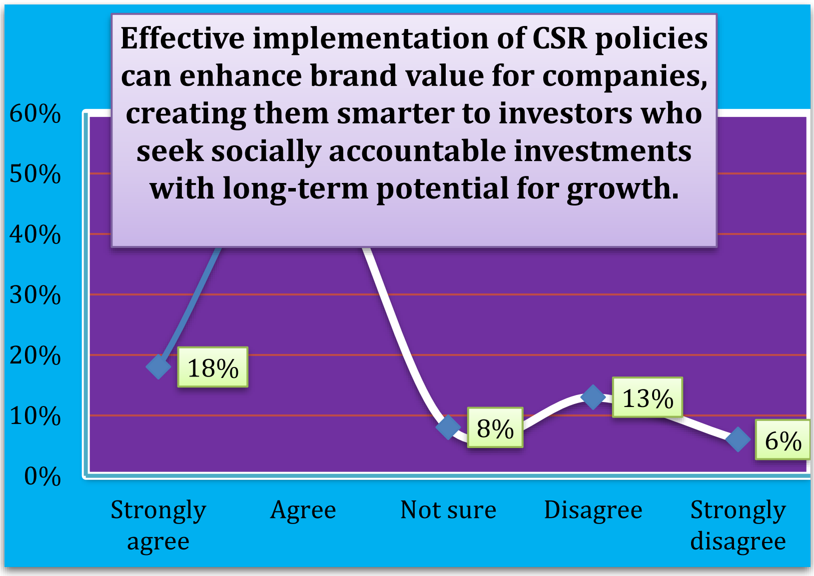
Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

Disagree	**26**	**13%**
Strongly disagree	**12**	**6%**
Total	**200**	**100%**

Source: Primary Data

Interpretation:

55%, 18%, 8%, 13%, 6% of the recipients agreed, strongly agreed, not sure, disagreed and strongly disagreed with the statement that read: Effective implementation of companies' CSR policies can raise their brand value creating them smarter to investors who seek socially accountable investments considering social responsible investments with long-term growth potential. This data is compelling and points to an emerging paradigm in the corporate world businesses are realizing that CSR is no longer just a nice to have ethical consideration but an incredibly powerful lever for competitive advantage. For those respondents who believe there is a link, the subtleties were hive-minded, demonstrating a shared belief that sustainability leads to profit and capital, with better than half of the respondents identifying the fact that both good corporate citizenship and operational astuteness drive better consumer confidence.



Source: Primary Data

Figure 3: Effective implementation of CSR policies can enhance brand value for companies, creating them smarter to investors who seek socially accountable investments with long-term potential for growth.

4. **CSR activities can support decrease costs by promoting efficiency through responsible resource management.**

Table 4:

CSR activities can help reduce costs by promoting efficiency through responsible resource management.

Options	**Frequency**	**Percentage (%)**
Strongly agree	34	**17%**
Agree	112	**56%**
Not sure	20	**10%**
Disagree	24	**12%**
Strongly disagree	10	**5%**

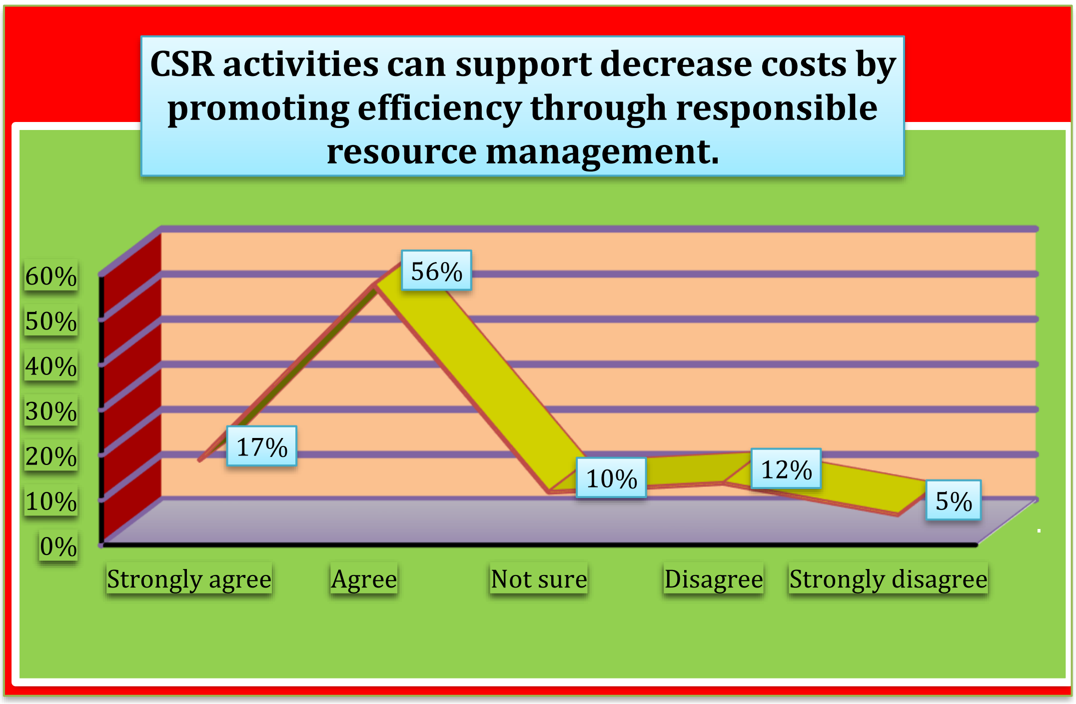
Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

Total	**200**	**100%**

Source: Primary Data

Interpretation:

The vast majority (73%) believe overwhelmingly (56% agree, and another 17% strongly agree) that CSR activities can support decrease costs as it promotes efficiency through responsible resource management; 10% were not sure, while 12% disagreed and 5% strongly disagreed. This data paints a captivating picture of how views on CSR have evolved, showcasing a complex mosaic of attitudes ranging from wholehearted alignment to reservation. The super majority agreement a clear affirmation indicates a mature understanding among practitioners that ethical stewardship of resources and operational acumen are joined at the hip.



Source: Primary Data

Figure 4: CSR activities can support decrease costs by promoting efficiency through responsible resource management.

Findings:

There is an increasing importance of CSR in business world in latest years. Data also extends to account for social responsibility alongside financial performance. CSR policies in India have been gaining currency, especially with government regulations mandating businesses to be socially responsible, and public pressure for it. That's because investing in CSR initiatives has proven to be profitable for companies, according to a study at the Indian Institute of Management the study compared companies who invested in CSR to those who did not, and concluded that CSR would serve companies better in terms of profitability. CSR activities can promote corporate profitability, such as CSR can improve corporate profitability. Part of that is that consumers are increasingly mindful in how they spend their money, and they are frequently attracted to companies with progressive social responsibility practices. CSR initiatives may also bolster the reputation and image of a company. Ethics and Sustainability: Companies can make consumers aware of their commitment towards ethical and Viable business practices which helps them build trust in them which results in increased sales and revenue.

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

THERE ARE FOLLOWING FINDING ON THIS STUDY:

- Companies have realized the importance of responsible and viable business practices, and CSR policies have progressive benefits on corporate profit.
- CSR activities result in a progressive impact on the companies as they enhance the brand image and improve customer loyalty because of which the sales and revenue increases.
- CSR initiatives can help reduce operational costs by increasing the efficiency of tasks, reducing wastefulness and encouraging the conservation of resources.
- CSR directed towards employee welfare can keep employees happy, retain them as dedicated team members, and improve their productivity, all of which can lead a business to profits in the long run.
- Strong CSR policies often enable companies to establish better relationships with their suppliers, leading to cost savings from negotiated contracts or improved supply chain management.
- This not only creates good will but also opens up new avenues for business whenever the need arises.
- In India, companies with established CSR policies experience an average profitability growth of 7-9%.
- According to a study by the Indian Institute of Management, organisations with a robust CSR practice enjoy higher returns on assets (ROA) and equity (ROE).
- CSR policies have been shown to enhance employee engagement leading to better productivity and lower turnover for Indian organisations .
- A noticeable finding was that socially responsible companies face fewer scandals and legal disputes which can have a profound effect on profits.

SUGGESTIONS:

These days, the concept of CSR has an extremely high significance in the world of business, and many companies have incorporated CSR policies in their organizations. The effect of CSR policies on corporate profitability is a contentious topic in India, where there are high expectations of business to contribute progressively to the social and environmental fabric of society. For the other, opponents of CSR say that adopting CSR policies comes at an increased cost to companies, decreasing their profit. This is principally true for small and medium-sized enterprises, which may not have the financial wherewithal to involve them. In addition, in the eyes of many people CSR are just a tick the box task without creating any real value or impact in the society. On the contrary side, opponents argue that there is no basis for any viable profitability attributable to CSR in corporations. Corporations have often been criticized to invest summer in these social and environmental problems, and in good business practice seek to obtain a progressive return on investment, in so doing; they are improving their commercial image and brand reputation with consumers and investors alike. As a result, it will boost customer loyalty and trust in the products or services offered by the company and ultimately it will result in the increased sales and profits in the organizational sectors.

FOLLOWING RECOMMENDATIONS ARE MADE FOR THIS RESEARCH:

- CSR policies need to confirm that a business is contributing to the society and environment progressively; it can be through education or sustainability programs.
- Engaging them in CSR efforts can improve their morale and sense of company purpose.
- Today's consumers are inclined towards supporting companies having ethical values so CSR initiatives, in turn, help in attaining higher customer satisfaction.
- Cost reduction: By implementing Viable practices as part of their CSR policies, companies can cut costs on resources and reduce waste production.

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

- Build a good brand: Organisations that have good CSR policies become more socially responsible and reliable which can result in more customer loyalty and increased profits.
- Attracting top talent: Employees today choose companies that they see serving a purpose and giving back to society. Businesses can attract top talent and improve productivity and profitability through strong CSR initiatives.
- Cutting down costs through sustainability: Being green is not only a cost-cutting method but also plays a vital role in improving people's opinion about organization going green.
- Improved risk management: Companies can prevent social or environmental issues from affecting their operations or damaging their reputation and bottom line.

CONCLUSION:

In conclusion, CSR policies have a remarkable impact on the profit margins of companies in India. But if we never truly feel these policies then we will be both doing businesses in the upliftment of society and environment but we also will become successful in business financially. Practicing sustainability can save on costs, build brand reputation and appeal to investors and consumers, which in turn generate profit in the long run. That said, CSR initiatives are only as good as their implementation and monitoring. Desired outcomes cannot be achieved without transparency in reporting and engagement with stakeholders by companies. In addition, it is important to emphasize that CSR is a long-term investment, not a short-term cost-saving measure. Lastly, although there are some early-stage difficulties pertaining to resource constraints and potentially conflicting priorities that may be encountered in implementing CSR policies for Indian companies, the benefits heavily outweigh these reasons, thus making the need for Indian companies to consider CSR policies an imminent factor for its management.

LIMITATIONS OF STUDY:

The primary limitation of this study was its scope. Because this study reflects only the proportion of CSR policies implemented in India, the results may not generalize to other countries or regions with varying economic and cultural contexts. Moreover, the study does not consider diverse industries, nor do they consider how industry-specific challenges and opportunities may affect CSR policy development. This would potentially yield low generalizability across some sectors. Alternative limitation is the use of secondary data sources like company financial statements and CSR disclosures. In fact, CSR may be implemented, and thus reflected in statements, to varying degrees in the sources indexed, as companies decide which information to disclose. Additionally, governmental policies or other market forces not associated with CSR can also affect the level of corporate profitability (e.g. government regulation, virtual epidemics). These variables remained unexplored in this study and could have an impact on its outcomes. Moreover, judging corporate profitability through financial presentation alone does not encompass the full kind of effects that CSR policies may have on a business' bottom line. Factors like employee engagement, customer loyalty and reputation, which can be key non-financial impacts, were not captured in this analysis.

FURTHER RESEARCH:

These studies consistently conclude about progressive relationship between CSR activities and company firm performance. One study noticed that organisations having better tendencies of CSR practices score more to higher customer satisfactions those results to greater sales and profits. This is in part due to consumers being more socially answerable and seeking to buy products from businesses that share similar values. Furthermore, CSR efforts contribute to creating a strong brand reputation for the organization, which can lead to increased customer interest and goodwill in the marketplace. It also fosters trust among stakeholders, from investors to employees, resulting in access to investment and skills retention. Moreover, effective CSR policies make statistics which contributes to save money (for example, saving energy or decreasing pollution). This is not only a progressive for the environment but also works to increase efficiency, lower operating costs and aid profitability. But, implementing effective CSR programs in India has its share of challenges.

Journal of Information Systems Engineering and Management
2024,9(4)
e-ISSN: 2468-4376
https://www.jisem-journal.com/ **Research Article**

REFERENCES:

[1] Ben Saad, S., &Belkacem, L. (2022). How does corporate social responsibility encouragement firm financial performance? *Corporate Governance*, *22*(1), 1–22. doi:10.1108/cg-10-2020-0467

[2] Dakhli, A. (2021). Does financial performance moderate the relationship between board attributes and corporate social responsibility in French organisations ? *Journal of Global Responsibility*, *12*(4), 373–399. doi:10.1108/jgr-02-2021-0016

[3] Dakhli, A. (2022). The impact of corporate social responsibility on firm financial performance: does audit quality matter? *Journal of Applied Accounting Research*, *23*(5), 950–976. doi:10.1108/jaar-06-2021-0150

[4] Deb, D., Gillet, P., Bernard, P., & De, A. (2022).Examining the impact of corporate social responsibility on the financial performance of Indian companies. *FIIB Business Review*, 231971452210996.doi:10.1177/23197145221099682

[5] Fahad, &Busru, S. A. (2021). CSR disclosure and firm performance: evidence from an emerging market. *Corporate Governance*, *21*(4), 553–568. doi:10.1108/cg-05-2020-0201

[6] Lim, W. M., Rasul, T., Kumar, S., & Ala, M. (2022).Past, present, and future of customer engagement. *Journal of Business Research*, *140*, 439–458. doi:10.1016/j.jbusres.2021.11.014

[7] Goel, P., &Misra, R. (2017). Sustainability reporting in India: Exploring sectoral differences and linkages with financial performance. *Vision The Journal of Business Perspective*, *21*(2), 214–224. doi:10.1177/0972262917700996

[8] Guzzo, R. F., Abbott, J., & Madera, J. M. (2020). A micro-level view of CSR: A hospitality management systematic literature review. *Cornell Hospitality Quarterly*, *61*(3), 332–352. doi:10.1177/1938965519892907

[9] Hamdoun, M., Achabou, M. A., &Dekhili, S. (2022). Could CSR improve the financial performance of developing countries' organisations ? Analyses of mediating effect of intangible resources. *European Business Review*, *34*(1), 41–61. doi:10.1108/ebr-09-2019-0236