



Entrepreneurship & Social Responsibility: What & Why?

KEYWORDS

Social responsibility, Entrepreneurship, Philanthropy, Multinational corporations, Responsibility

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ABSTRACT 'The main business of business is to BUSINESS'. - The most prominent statement said by someone is totally true to a business concern and does not hold importance whether it is earlier or today. But today it's not only the profit for which a business survives, activity called social responsibility holds very great importance in performing its duties towards society. It was a time if a business was not taking care of society, was not given a serious consideration but today it has become life and death matter for a business, the ratio of success or failure of a business depends upon the amount it takes care of the society in which it deals. The activities of business may vary but the ultimate duty of performing CSR can't be ignored. This paper tries to include the basics of social responsibility which is called heart of entrepreneurship now-a-days.

Introduction:

Business is both creditor & debtor to the society because (1) It satisfies the need of consumers for innovating things. (2) It provides boost up to the economic development of the nation but it is not only a creditor of the society in fact it is more debtor than a creditor to the society. The reasons being (1) The society accepts and creates his personality & (2) The society provide all the required resource which is needed by a business to survive and grow the enterprise. Thus, it is the society which provides all the resources right from the beginning of the creation of its personality to establish an identity. So it becomes its moral duty to pay its debts to the society.=

"THE SOCIAL RESPONSIBILITY OF A BUSINESS MEANS WHATEVER IT RECEIVES SUCH AS DIFFERENT KINDS OF FACILITIES, BENEFITS AND ASSISTANCE FROM THE SOCIETY AND AS RETURNING ABOVE FAVORS, WHATEVER HE HAS TO GIVE MORALLY".

'The main Business of Business is Business' is considered as the main objective of any business. This says that a business is conducted to earn profit only and not for any other cause. This limited view of business would prove to be danger some in the long run. But on the other hand, if we consider the other view of business, which would focus at the long term gains rather than at quick returns, would take into consideration the important dimension of social responsibility.

The ethical and social behavior of corporations is essential for the generation of profit, owing its source i.e. reputation the corporation would acquire in view of its social behavior. James Burke, the chairman of the well-known consumer product and pharmaceutical company, Johnson And Johnson said this: "I have long harbored the belief that the most successful corporations in this country, the ones that have delivered outstanding results over a long period of time, were driven by a simple moral imperative, namely serving the public in the broadest possible sense better than their competitors".

Why is CSR important?

- For Customers and clients a business is always re-

sponsible terms of finance and resources.

- The employees and workers are also interested in working with those entrepreneurs who take care of them.
- For taking care of investors, a business should take care of their investment for their kind support.
- For strategic management of internal and external risks in social as well as environmental areas, concept of CSR should be taken into consideration.
- Social and environmental responsibilities also help to reduce operating costs.

MODELS FOR IMPLEMENTATION OF CSR:

There are several theories to justify CSR activities of corporations; still everyone is not put in practice. There are so many dimensions which should be taken into consideration. Different models of CSR can help organizations to manage their business carefully and skillfully because without performing CSR, today it won't be possible to sustain even in this cut throat competitive world of business. For instance, CSR can be associated with Philanthropy or a business strategy. When several such alternatives are available, a business may select a model that is suitable to its core competence. There are four models of corporate responsibility globally.

Model	Emphasis	Proponent
Ethical	Voluntary commitment by companies to public welfare	Mahatma Gandhi
Statist	State ownership and legal requirements determine corporate responsibilities	Jawaharlal Nehru
Liberal	Corporate responsibilities limited to private owners (shareholders)	Milton Friedman
Stakeholder	Companies respond to the needs of stakeholders customers, creditors, employees, communities, etc.	R. Edward Freeman

(Source: Student paper Submitted to Amity University)

1.Ethical model:

In the ethical model, a business has to take care of society morally. It started in the earlier of 19th century when business was undertaken in huge form. Till then the businesses were considered on a very small base. The stakeholders

mean those people who have any kind of interest in business or are attached or connected with business anyhow. This idea of these can be seen in Gandhian thoughts even. These people could be investors, customers, shareholders, suppliers, customers and even government. In India so many businesses have taken care of common man and customers even but many businesses still consider particularly who run their family business taken it very seriously. They think, people who are connected with you directly should be taken care immediately at any cost.

2. Statist model:

This model is based basically on the concept of state owned public sector units because this approach was supported by the Nehruvian mixed economy concept as this model focus on the legal requirement of a business has to fulfill in order to serve the society better and to fulfill the responsibility of CSR. This model concentrates on labor laws to be followed by a business organization and other legal managerial principles also. This calls for the government interventions on part and business efforts on other hand. But this model is also challenged by the different disinvestment and privatization issues.

3. Liberal model:

In this approach that much liberty is taken to believe that market will take care the responsibility to perform CSR. The business which concentrate on this concept is responsible mainly in improving the economic condition of business and economic well being of shareholders along with their wealth maximization. This model tries to focus upon the issues like obeying the laws and to generate wealth which can be used towards the social well being and social welfare.

4. Stakeholder model:

Corporate responsibility now means ethical and environment-friendly practices along with so much to do for social welfare and social development. This has come about through public campaigns and pressure on the shareholders. So many companies at world level today are acquiring their raw materials from developing countries and they are very conscious about the stakeholders. They have realized the importance of stakeholders and their effect of working in a particular business. A business is expected to concentrate on the concept of triple bottom line and fulfill social, economic and environmental conditions towards the different classes of the community.

CSR: History – At World Level:

It is an obvious thing that a business is a part of society only. Whatever benefits or achievement a business could have is only due to the society only. Basically an entrepreneur is a creditor of the society because whatever it has given to society was its own skill of ability but at the same time he is considered as a debtor more than a creditor towards the society because the society is who had taken the care of entrepreneur's requirements. Without the great support of society and entrepreneur was not able to establish his business even. So to fulfill his debt towards the society, whatever he has to perform as moral responsibilities towards society which is known as social responsibility of an entrepreneur.

In the early 1950's and 60's the literature was not heavily represented in CSR disclosure. In 1960's Keith Davies argued that CSR refers to the firms considerations of and response to issues beyond the narrow economic, technical and legal requirements of the firm. Thus, the definitions

in 60's were an attempt to link society and businesses, defining society in broadest terms. However, this decade marked a significant growth in attempts to formalize or more accurately, state what CSR means? According to Carroll, "CSR encompasses the economical, legal, ethical and discretionary (Philanthropic) expectations that society has of organizations at a given point of time." CSR implies some sort of commitment through corporate policies and actions. This operational view of CSR is reflected in firm's social performance, its impact and the outcomes of its CSR policies and actions. [3] [4] [6]

In 1970's there was one and only one social responsibility of business and that was to use its resources and earn profit but don't be engaged in those activities which are deceptive or fraudulent and engage in open and fair as well as free competition. In 1971, Harol D. Johnson stated that 'A socially responsible firm is whose management staff balances a multiplicity of interests instead of striving only for larger profits for its stockholders. European Commission described CSR as 'A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stock holders on a voluntary basis. In 1980's and 90's there were fewer definitions but more efforts to measure the effect of CSR. [5] [6]

Conclusion:

Thus, all business and all human beings are in the boundary of society since they are socially bounded who live in group. They can't leave society nature they are social animals other are to do some work or after for their living & then look for comforts. Whatever a human being does activities, can be divided as economic and non economic activities which are always meant to satisfy our needs and to make our life comfortable and to be remembered very carefully that profit is not only the motto of a business, CSR holds the great importance today. These economic activities help in the production of goods services. Economic activities aim at the proper allocation & optimum use of resources.

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