

CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF PRIVATE SECTOR ENTERPRISES IN RAJASTHAN

Dr. Aditi Jain *
Ms. Mona Singhal **

ABSTRACT

To improve the quality of the life of the society, an association between the enterprises and the society is becoming mandatory. An analysis is required for the activities that can be undertaken to enrich the level of sustainable development and further give a solution to the social problems. This will surely lead to one possible path that have one final goal, viz. Corporate Social Responsibility. It aims at meeting the several needs of the society and is the ultimate result of the ethical stance taken by the enterprises. Though the concept aims on providing sustainable development to the society at the end, but still face difficulties in its implementation and working pattern. This paper focuses on the Corporate Social Responsibility Practices of Private Sector Enterprises in Rajasthan. A firm, which is socially responsible, carries the activities related to CSR beyond just the level of increasing their profits. The paper presents an argument that CSR increases the social well being when it is collaborated with being a Social Enterprise at a holistic level.

KEYWORDS: *Corporate Social Responsibility, Private Enterprises, Social Entrepreneurship.*

Introduction

In common terms, Corporate Social Responsibility can be defined as "meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development (WCED), 1987). Every business wants to large amount of profits and wants to grow as much as possible. Every business wants to fulfill their initial needs of short term in a way that does not compromise their future needs. Thus, the main emphasis lies on the time factor. This paper argues that time should be the key element in planning about the short term as well as long term goals. A successful business is one, which focuses on present as well as future needs of the organization.

Social Entrepreneurship can be defined, as creating a business environment that is marching forward, is ethical and responsible in nature. The concept of social entrepreneurship also focuses on the term 'return on investment' as it is related to the theory of investing today and gaining benefits in the future or for the upcoming generations. On the same hand, it also creates lots of opportunities for an organization as it helps in retaining employees, adds a great percentage to the market share, reduces costs and also constructs new green collar jobs.

Private Sector Enterprises

The term "Private Sector Enterprises" would include all those organizations, which are owned and run by private individuals. These days even the private organizations are moving towards the idea of adopting social entrepreneurship. The increasing competition between the profit and the non-profit

* Assistant Professor, Business Studies, Department of Commerce, The IIS University, Jaipur, Rajasthan, India.

** Research Scholar, Department of Commerce, The IIS University, Jaipur, Rajasthan, India.

organization in terms of charities, donations and grants has led to the birth of Social Entrepreneurship. Paul Light (2008) says that the Social Entrepreneurship can be explained as the synergy of four components viz. Idea, Opportunity, Organization and Entrepreneur that might assist entrepreneurs to develop and better execute their initiatives, under the impression that social problems are not infinite and supreme and for this reason these components must be examined depending on the situation. (Light, 2008).

Though the term "private sector" is a very broad term and deals with all the firms that are owned by private individuals, but this study deals with only those enterprises, which strictly follows the Corporate Social Responsibility practices as mentioned in the section 135 and Schedule VII of the Companies Act 2013.

Concept and Evolution of Corporate Social Responsibility

The concept of Corporate Social Responsibility, in general terms means giving back to our own society. The act of industrialization and other activities that takes place in today's businesses destroys the ecological balance of the society. This concept came in light when the world realized the value our environment and the ill effects of the imbalance in natural resources. CSR is the act of managing the relations of an organization with the society. The CSR ethics and practices have been widely accepted by all the organizations worldwide. Not only the multinational companies, but also the small and medium sized businesses have accepted the concept and initiating it the daily routines.

CSR are all those strategies, practices and policies that are specially designed to become socially responsible. However, the concept of CSR was evolved in America but now it has travelled to almost every country with the aim of eradicating problems such as poverty, illness, sustainability and many more. A number of companies have adopted the approach of triple bottom line that says that 'people, planet and profit' should be the main and the primary concern for every business organization.



Review of Literature

- Bansal (2014) opines that CSR is imperative for sustainable growth and survival, high market image, satisfaction and long term benefits of the organization.
- Dasgupta (2005) states that maintaining a business means to fulfill social, economic as well as environmental duties on the part of the business.
- Social entrepreneurship creates lots of opportunities for an organization as it helps in retaining employees, adds a great percentage to the market share, reduces costs and also constructs new green collar Jobs. (Kahneman et al. 1979).
- CSR is undoubtedly thought to be the ability of any firm to achieve great results. But, the greatest concern is if we are bothered about the long termism of our short termed efforts. (Shrivastava 1994).
- Zaheer et al. (1999) also opined that a perfectly sustainable business may undoubtedly have favorable results at the same end such as creating new and improved revenue opportunities for the company, maintaining a healthy competition, keeping up the brand reputation, saving costs, minimizing risks and many more.

Objectives of the Study

- To recognize the need of a CSR in Private Sector.
- To know factors affecting Corporate Social Responsibility.
- To study the influencing factors to adopt CSR and social approach in companies.
- To study strategies to attain sustainability in the businesses.

Research Methodology

Research design adopted for this study is Descriptive. Primary data was collected through survey method by using questionnaires. Sample of 10 companies who are following CSR according to the Companies Act 2013 was collected. Secondary data was collected from journals and research articles.

Some Definitions of CSR

- “Continued commitment by the companies to maintain ethical behavior and contribute to economic development while improving the quality of life for its staff and their families, the community in which they work and society in general” The World Business Council for Sustainable Development (The World Business Council for sustainable Development-WBCSD).
- “Any person or group of people that may affect the performance of the company or to be affected by the achievement of the goals of the organization” (Freeman, 1984).
- The shared value is “redefining the limits of capitalism” (Porter and Kramer 2011).

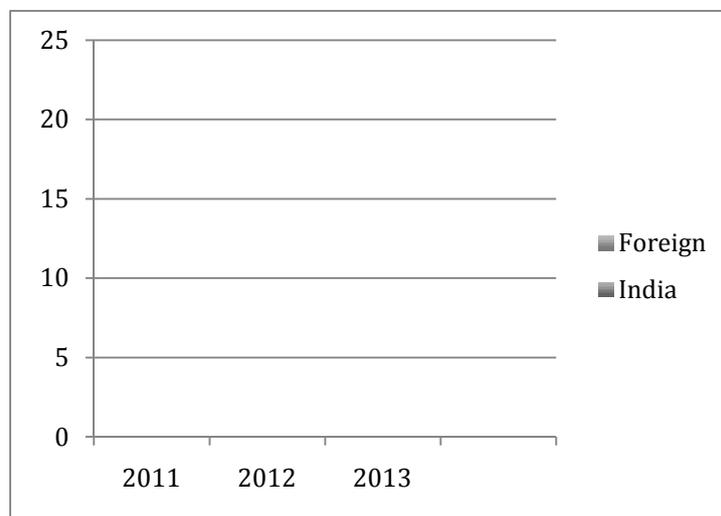


Fig 3: Average CSR Expenditure by Foreign and Indian Firms

The above bar chart shows the average expenditure by Foreign and Indian firms in the year 2011, 2012 and 2013 regarding Corporate Social Responsibility. The X Axis shows the firm ownership and year, Y Axis shows the average expenditure in million rupees. The firms, which are owned by the foreign companies, are categorized here as foreign. There is considerable growth both in expenditures of foreign firms and Indian firms when we compare the years 2011 and 2012, and also 2012 and 2013. It can be clearly seen that the firms are becoming more aware and are taking initiative in the areas of sustainable development at a global level.

Conclusion

The paper states that well-managed Corporate Social Responsibility can, not only lead to a better environment towards the society but also the strategies and objectives of the organizations can be effectively achieved. It is an emerging issue worldwide. In almost all parts of the world, it can be seen; mostly among the multinational companies. Thus, it is the need of the hour to maintain the equilibrium between Corporate Social Responsibility and Social Entrepreneurship; failing which the organizations would lose the quality staff and their engagement and loyalty towards the work and society.

Hence, the top management of the private sector organizations should aim at restructuring its policies whereby they can create a positive and amicable environment, which leads to the sustainable development of the society in a holistic manner. The private Sector Enterprises should put consistent efforts to plan a specific CSR model for particular region and community after making scientific enquiry into their socio-cultural environment.

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