

SOCIAL RESPONSIBILITY OF ENTREPRENEURS IN INDIA

Dr. Seema Gotwal*

ABSTRACT

H.R.Bower defines as "social responsibility is the obligation to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society". Initially, the meaning of social responsibility was very limited, which included conducting business according to general social rules. Social responsibility was considered to be the earning of profits by the business and the entrepreneur in a legal manner, not working against the interests of the shareholders among the customers and the business doing public welfare work. In other words, the main emphasis of the ideology of social responsibility was on the entrepreneur doing welfare work in the society. Also, the social responsibility of the entrepreneur was to produce and distribute goods regularly, follow honesty in transactions and not do illegal work. But with the change of time, under the ideology of social responsibility, instead of 'welfare work', the focus started on fulfilling the rights and interests of various sections related to business. Solutions to the economic and social problems of the society started being sought. Efforts were made by entrepreneurs to remove various difficulties of the society like unemployment, lack of income, pollution, corruption, loot, black marketing, price rise, false advertisements, dishonesty, hoarding etc. But at present, the entrepreneurial form of social responsibility has started to appear. Now, in the field of social responsibility, entrepreneurs have started to emphasize on encouraging and inspiring new experiments, new changes, new constructions and new creations.

KEYWORDS: *Entrepreneurship, Entrepreneurs, Innovation, Economic Growth, Social Responsibility.*

Introduction

Entrepreneurship is considered the driving force for innovation and economic growth. Indirectly, it can also drive social change – for example, through social enterprises or technologies that transform our lives. Economist Joseph A. Schumpeter referred to entrepreneurs as "dynamic innovators" who break down old structures through creative destruction. This approach highlights that entrepreneurship is not just about founding companies, but also about renewing entire industries and shaping society in the long term. James Burn says that "The entrepreneur is the organizer of the productive resources of society." It is true that the entrepreneur collects the productive resources of the society - capital, labor, land, material, technology etc. and makes production possible by establishing a proper balance among them. The entrepreneur plays an important role in utilizing the unused resources of the society in productive works, making the labor force dynamic and making commercial use of scientific inventions.

Social Responsibility of Entrepreneurship

Consumers prefer brands that share their values and care about society. Social responsibility affects the company's profits in the long run. Here are some reasons that make social responsibility an important aspect of an organization:

* Associate Professor, Department of Business Administration, Samrat Prithviraj Chauhan Government College, Ajmer, Rajasthan, India.

- People have a favorable perception of socially conscious businesses. Customers find their goods and services very popular. This improves the reputation of the business.
- It gives the business an edge over competitors and differentiates it, making it easier to bring in customers and investors.
- It promotes attracting and hiring devoted customers and employees. A company with a positive culture is more likely to attract employees.
- It helps companies expand into new markets.
- The efficiency and productivity of a company can increase when it employs people from the local community.
- Apart from providing value to stakeholders, it helps adapt to the changing demands and expectations of society and the environment.

Organizer of the society's productive resources

According to Franklin Lindsay, "entrepreneurship is defined as anticipating the future requirement of society and successfully meeting these needs with new, creative and imaginative combination of resources. "Development of entrepreneurship is essential for the planning and rapid economic development of every nation. Only by developing entrepreneurship can we get rid of many economic and social problems like poverty, unemployment, inequality of wealth, low productivity, low standard of living etc. and an ideal industrial society can be created. Entrepreneurship is an important basis of prosperity in developing countries.

- Establishment of new business unit.
- Ingredient of modern production system.
- To contribute towards national development.
- The entrepreneur has an important contribution in creating a self- reliant society.
- Contributes to the execution of government policies.
- Too much capital going into fixed assets.
- Consciousness towards social environment.
- Development of industrial estates and areas.
- Establishment of science and technology entrepreneurs.
- Providing goods of good quality and right quantity to the consumers.
- Adopting environment friendly production methods.
- Providing fair wages to the workers.
- Not adopting illegal methods like adulteration, childlabouretc.

Famous Entrepreneurs of India(Entrepreneurs Understand social responsibility)

It is the social responsibility of every entrepreneur to run his business according to the expectations of the society in the value interests, eliminate the problems created by his business and create new values, utilities, demands and desires in the society so that social welfare and quality of life can increase. India has produced many successful entrepreneurs who have proven social responsibility. Job creation, support of education, and ethical business practices are some examples. These entrepreneurs contributed significantly to India's economy and also helped develop its culture. They became a model of ideal business ethics and responsible behavior for future business leaders.

- Ratan Tata is a famous and successful entrepreneur of India, known for his leadership, philanthropy and business acumen. He took the Tata Group to the global level and made many important acquisitions. Also, he made the common man dream of owning a car by launching affordable cars like 'Nano'. His philanthropic works and sense of social responsibility have also made him a popular and respected figure. Narayana Murthy is the founder of Infosys and advocates transparency and employee welfare. Ratan Tata is seen as a businessman who not only believes in making profits but also gives importance to social responsibility and ethical values.

- Mukesh Ambani is the chairman and managing director of Reliance Industries, and he and his wife Nita Ambani are actively involved in social welfare work through the Reliance Foundation. Mukesh Ambani believes that the purpose of business is not just to earn profits but also to bring a positive change in society. Through Reliance Foundation, he is working towards improving society by making significant contributions in areas such as education, health, and rural development.
- Narayana Murthy has made significant contributions to society in the field of education, social work, and promoting technological advancement. He founded Infosys, which played a vital role in the development of India's IT industry and inspired many.
- Kiran Mazumdar-Shaw, a renowned Indian entrepreneur and philanthropist, does many important works for the society. She is the chairperson and managing director of Biocon Limited, a leading biotechnology company. Additionally, she supports various educational and social initiatives through the Mazumdar-Shaw Medical Foundation.

Impact of Socially Responsible Entrepreneur on his economic performance

G.R. Truex says that socially responsible organizations in the long run usually turn out to be the more profitable ones. He observed: "In future companies that are creative in meeting social problems in the final analysis turn out to be the more profitable ones. Creativity in dealing with social problems is generally the outcome of management motivation and confidence. If I am right then you will be bound to take corporate social behaviour into account in your investment decision, not as a matter of philanthropy but as a matter of sound business philosophy. In future, we may see corporations which will suffer economically are those who fail to meet social responsibilities. Companies which incur social costs are more attractive than other." R. Eells writes "The root of conflict over social responsibilities lies in the irreconcilability of two equally untenable theories of the corporation, namely, the traditional corporation which intends to maximize profits and the metro-corporation which assumes limitless social obligations. To avoid these two extremes there is a need for a well-tempered corporation which regards profits as primary but also considers its social obligations in the decision-making process."

Conclusion

In India, the needs for Business entrepreneurs to discharge their social responsibilities have been emphasized time and again by eminent personalities, politicians, economic, social reformers and thinkers. This is because considering enormity of problem, the government alone cannot be expected to do everything for welfare of society. Business enterprise is expected to be socially responsible not only toward society but also towards other social groups like investors, consumer, employees and the government. As a result of increasing innovation in business, many old businesses are being destroyed and their place is being taken by industries run by computers and new technology. Schumpeter has called this situation creative destruction. But this situation has created a "social danger" in the society in terms of employment, economic stability, social order and government responsibility. Peter Drucker writes that today developing entrepreneurship is not in the interest of the entrepreneur himself but it has become his social responsibility.

References

1. www.entrepreneur.com
2. www.https://indeed.com
3. <https://www.careerexplorer.com>
4. <https://www.slideshare.net>
5. <https://www.shiksha.com>
6. <https://www.kailasheducation.com>
7. <https://www.indiagovernment.com>
8. <https://www.bajajfinserv.in>
9. <https://hi.wikipedia.org>
10. <https://www.onlinemba.com>
11. <https://www.investopedia.com>
12. <https://sites.google.com>

- 168 Inspira- Journal of Modern Management & Entrepreneurship (JMME), Volume 15, No. 02, April-June, 2025
13. <https://ebook.infilbnet.ac.in>
14. <https://www.freebookcentre.net>
15. <https://link.springer.com>
16. <https://bookstore.emerald.com>
17. <https://www.astisanfurniture.net>
18. <https://www.investopedia.com>
19. <https://www.managementstudyguide.com>
20. <https://www.bajajfinserv.in>
21. <https://www.cheggindia>
22. <https://www.founderjar.com>
23. Book :- Entrepreneurship (R.C.Agarwal) Sahitya bhavan publication
24. Book:- Business Entrepreneurship (G.S Sudha) RBD publications
25. Book:- fundamentals of Entrepreneurship (G.S Sudha) RBD publications.

