

## **CSR PRACTICES OF SOCIAL ENTREPRENEURSHIP ORGANIZATIONS FOR SUSTAINABLE DEVELOPMENT IN INDIA**

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### **Abstract**

Corporate social responsibility has gained unprecedented importance and become imperative to all the companies in strategic decision making. Government alone will not be able to ensure success in its endeavour to uplift society. In this context, Social Entrepreneurship organizations or social business firms have emerged to carry the endeavour of both state and central government. Social Entrepreneurship is an emerging field that offers opportunity to young professionals to create societal/economic value on a sustainable basis. Globally this is the fastest growing sector and perhaps the only sector that is creating gainful employment worldwide. Unfortunately, most management students/professionals view social entrepreneurship as a “by charity/ for charity” venture, and not as a financially viable entrepreneurial activity. Due to globalization liberalization and privatization, corporate environment is changing, and then corporates have set up separate CSR wing for sustainable growth. The last decade has witnessed a remarkable resurgence of attention among practitioners and scholars to understanding the ability of corporate social responsibility (CSR) to address many problems. Despite a dramatic increase in CSR research in recent years, why and how companies invest in only few CSR practices but not others, or how such choices are affected by the cultural, socioeconomic, and competitive contexts in which companies operate. This paper examines the corporate social responsibility practices of select social entrepreneurship organizations in India.

**Keywords:** Corporate Social Responsibility (CSR), Practices, Social Entrepreneurship Organizations, Government, Strategic Decision Making.

## I. INTRODUCTION

In the current situation, CSR goes past the old altruism of the part giving money to great purpose toward the finish of the financial year. To be honest, CSR has become an indispensable responsibility for all the companies throughout the year. The brand name of any company or establishment or an organization depends on not only quality, cost and uniqueness however, how aggregately, they communicate with employees or workforce, network and condition. Remembering the three "Ps"- People, Planet, and Profit, we push toward the difficult proportion of corporate responsibility. CSR is a method of directing business, which makes corporate elements socially capable residents, noticeably adding to the social great. Corporates use CSR incorporate monetary, ecological and social target with the organization's activity and development. The European Union (EU) has given a generally referred to meaning of CSR in business and social setting. It depicts CSR as "the idea that an undertaking is responsible for its effect on every applicable partner. It is the proceeding with responsibility by business to carry on reasonably and mindfully, and add to monetary turn of events while improving the personal satisfaction of the work power and their families just as of the nearby network and society on the loose". As it were, CSR alludes to guaranteeing the accomplishment of the business by incorporation of social and natural contemplations into organization's tasks. It implies fulfilling your shareholders and customers requests while likewise dealing with the desire for different partners, for example, workers, providers and the network on the loose. It additionally implies contributing emphatically to society and dealing with your association's ecological effect.

## II. LITERATURE REVIEW

**Bhunia and Das (2015)** contemplated CSR exercises of social enterprise organizations to inspect how much CSR influences the monetary presentation. They received relationship, straightforward relapse and different relapses to test the causality of CSR on association's gainfulness. The scientist saw that lone barely any organizations had a positive effect of CSR on gainfulness however; the remainder of the organizations negatively affected its benefit.

**Sankar (2014)** saw that the different examination papers identifying with the connection between Corporate Social Responsibility activities of different associations and their money related execution. The finding indicated a blended connection between Corporate Social Responsibility and money related execution. In light of earlier examination, the creator presumed that Corporate Social Responsibility had a positive relationship with budgetary execution of firms.

**Omweno Nyameyio Enock and Kundan Basavaraji, (2013)** CSR has been accepting more noteworthy significance in the corporate world in 21th century. Indian Government has drafted rules for CSR rehearses, which generally proposed organizations to contribute a rate share towards that cause (CSR). This examination looks at the CSR exercises of Tata

Company and ITC Company on various regions for example ecological amicability, social responsibility, representative's security, human rights advancement and so forth. The investigation additionally centres on the announcing techniques utilized by these organizations.

**The Economic Times (11 Jan.2013)**, news featured about the organization Dell's technique of spurring its workers in introducing CSR. The news examined that organization's representatives are the force that constrained the organization to support the public. Organization with its representatives has occupied with social duty exercises in the zones of training, condition and worker's government assistance. Next to Dell Company, the news likewise examined about different organizations like Maruti and Godrej that these organizations additionally give acceptance preparing to its representatives for setting them up for network administrations. Maruti Company run a program named e-parivartan for a gathering of representatives to make them mindful about network issue and their answer.

**Bhupender and Vikas Kumar Joshiya (2012)** considered Corporate Social Responsibility status, difficulties of CSR, and approaches for CSR in India. The idea of CSR is presently, extended which incorporate both monetary and social interests. Organizations have gotten more straightforward in bookkeeping and show open revealing because of weights from different partners and discovered numerous positive results can emerge when organizations receive an arrangement of social obligation.

**BibhuParshed (2012)**, in his article on CSR expressed that it is the substance of industry face of doing exchange. Corporate houses took CSR as a medium satisfaction of benefit avarice of corporate houses. Further the article investigated that organizations today puts resources into numerous territories like youngster work, ground water, food, training, business and so on however no one knows about the basic need of world's poor. He proposed that CSR is past the common and legal commitment of the organizations.

**Bansal, Parida, Kumar (2012)**, paper entitled "Developing patterns of Corporate Social Responsibility in India" in KAIM Journal of Management and Research, breakdown 30 organizations of 11 segments recorded in the Bombay Stock Exchange with the assistance of their yearly reports. A portion of these segments were Transport Equipment area, Finance and Metal Mining part, IT and Power, Capital merchandise, Telecom, Housing, FMCG, Oil and Gas and Cipla. The paper considered the nature and territories of society wherein the organizations are contributing. Today, organizations are not working just to procure benefit yet in addition have understood the significance of being social agreeable. Consequently, in view of the paper it is finished up, that social duty has now begun taking a turn the new way.

**Hartman (2011)**, article "Corporate social Responsibility in the food area" in European survey of horticulture financial matters diary, broke down the significance of CSR in food segment, especially those organizations that have high brand. CSR is a significant piece of these organizations. In any case, SMEs are less able in releasing their commitment towards society. Further, the examination found that food part consistently attempts to improve the controlling and releasing its administrations towards shoppers. Customers likewise incline

toward those brands or food firms, which offer inclination to CSR exercises and give great item and administrations.

**Shah, Bhaskar (2010)**, in his investigation of open area undertaking Bharat Petroleum Corporation Ltd.in their exploration work. The examination has talked about that there is an expansive connection between the association and society. Association has its reality just with the public. Association utilized the assets/contributions of the public like material and so on. In invert, the association offers types of assistance to the public. From the contextual analysis of the BPCL, it was discovered that organization has taken numerous activities to serve the public.

**Basu K, Palazzo G (2008)** examined CSR stages in India and set up that the CSR stages are commonly utilized with partner perspectives to both the structure and substance of those stages and furthermore introduced the way that the chose Indian organizations sought after an essentially liberal stage with an attention on network improvement ventures, as anticipated by past examinations. It additionally showed, nonetheless, that Indian purchasers probably would not esteem humanitarian CSR as exceptionally as other CSR activities.

### III. OBJECTIVE OF THE STUDY

1. To study the regulatory framework for the CSR Practices in India.
2. To analyse the corporate social responsibility activities carried by select social entrepreneurship organizations.

### IV. METHODOLOGY

The method adopted for this research is qualitative analysis. It begins with review of literature. The source of information are various Indian and International journals, government bulletins and respective company's websites. This research is destined to study various CSR activities carried out in select social entrepreneurship organizations in southern states of India. The sample design is as follows.

**Table-1: Sampling Design**

Sl. No.	Name of the Social Entrepreneurship Organization	Location
1	Palle Srujana	Secunderabad
2	Villgro	Chennai
3	Surge Impact	Hyderabad
4	Aleap	Hyderabad

## V. ANALYSIS AND DISCUSSION

Currently, many organizations are actively engaged in the CSR activities but unfortunately, the number is very less relatively. In order to encourage more entities to participate in the process of development of the society via- CSR, the Government of India has actually implemented the concept of CSR in the new Companies Act 2013. The Government of India has notified the rules for CSR spending u/s 135.

**Table -2: CSR activities as per Sec-135(Schedule, VII) of CSR activities**

Sl. No.	Type of CSR Activity
1	Eradicating extreme hunger and poverty
2	Promotion of education
3	Promoting gender equality and empowering women
4	Reducing child mortality and improving maternal health
5	Combating HIV/AIDS, malaria and other diseases
6	Ensuring environmental sustainability
7	Employment enhancing vocational skills
8	Social business projects
9	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and Women
10	Other activity not mentioned above

**Source: Sec-135- (Schedule VII) Companies Act 2013**

Let us have a look on CSR practices of select social entrepreneurship organizations

### A. PALLE SRUJANA

Palle Srujana is a Voluntary Organization works for aiding and promoting creativity at gross root level in the states of Telangana and Andhra Pradesh. It pursues the mission of National Innovation Foundation (NIF)-India. It documents the knowledge acquired through investigation with sufficient recognition to the knowledge provider. It also helps the innovators to get their technologies patented and take them to national and international level of recognition. The rural knowledge would disseminated horizontally, from land to land and

village to village through Shodh Yatra, Magazines and participating in various farmers meet etc.

**Objectives:**

1. To promote innovations for the benefit of the society.
2. To support innovators in their endeavour.
3. To take up any activity conducive and incidental in achieving the above objectives.

To this end, the activities listed out for support are as under:

1. To scout for innovations useful to the society.
2. Help in prototyping of such innovations.
3. Provide technical support for bettering the innovations.
4. Supporting in patenting the innovations, where required.
5. Supporting in manufacture and marketing of the innovations.
6. Supporting in further value addition, where required.
7. Any other activities from time to time, which shall be necessary for the attainment of the above objectives.

The financial support was provided by Brig. The organisation was unique in its entity and endeavour. Over time, the activities increased manifold and the expectations from the innovators have increased. Initially, Palle Srujana were concentrating on identification of innovations, supporting in prototyping with help and support from NIF, NABARD, etc. But, over time, with more and more ideas useful to the society coming up on one hand and lack of immediate support from support organisations, we found ourselves a little helpless and waiting for support. Some of the ideas crossed the stage of prototyping and reached a stage where the innovator is ready for manufacturing and marketing. The present banking system found wanting as they are saddled with their priorities and rules. It is for this very purpose that we felt that we require a trust to support them. Crowd funding could be one option but before that, we decided that let us help them through our volunteer network and in the next stage go for crowd funding.

The funds requirement can be broadly classified into 3 categories:

1. Prototyping, validation, value addition, patenting, etc. This may require services of paid agencies so that the quality of the innovation can improve, making it fit for multiplication.
2. Financial support by way of term loans to innovators/ entrepreneurs who are ready to manufacture and market the innovations.

3. Short term loans to innovators/entrepreneurs who are already into marketing, and
4. Financial support for meeting the running expenses.

While the activities at 1 and 4 are in the nature of grants, the activities at 2 and 3 are loans.

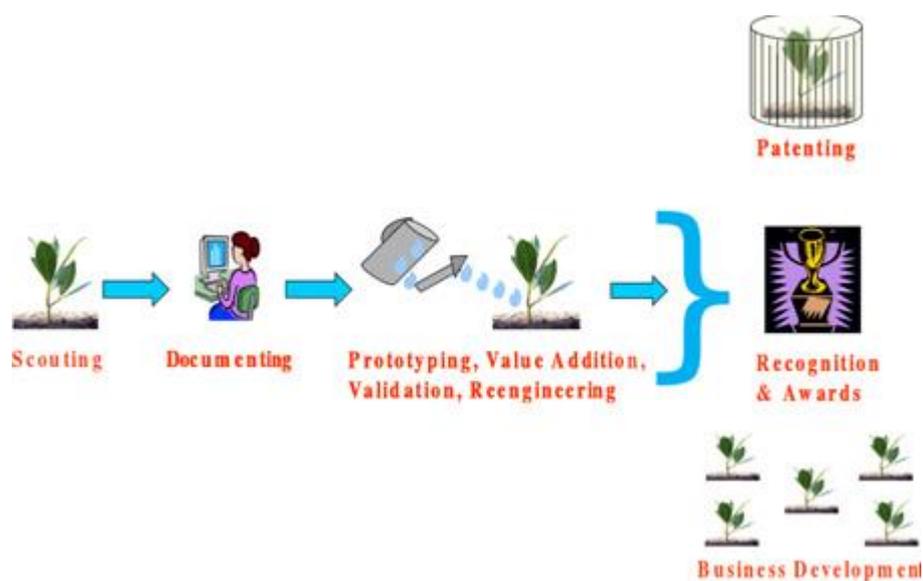


Figure-1: Patenting process of Innovative works of farmers  
[www.pallesrujana.org](http://www.pallesrujana.org)

Source:

## B. VILGRO

Villgro is one of India's Oldest Social Enterprise Incubator, Supporting Innovators and Social Entrepreneurs during their early stages of growth. Since 2001, Villgro has incubated over 315 such enterprises, which has generated around 4500 jobs, secured Rs. 4164 Million in Follow on Funding and influenced over 20 Million lives. Villgro leads the path for public and private partners to come together and support social enterprises. Its Investment Partner Menterra invests \$2 Million in four social impact start-ups. Two of which are Villgro Health incubates OmiX & Adiuvio. EmpowerU: Using tech to monitor government schools in Jharkhand. Sachin's True Blue tie-up, Fabric Monde, launches 'handcrafted' shirts

## C. SURGE IMPACT

Surge Impact Foundation (SIF) is a Section 8 Company based in Hyderabad working in the areas of nurturing Social Impact Ecosystem, Social Enterprise development, CSR, Social Impact Advocacy and Advisory. Surge Vision is to create a world where everyone contributes to sustainable development.

Its mission is to enable everyone to contribute to sustainable development by

1. Working with all stakeholders to increase coordination and efficiencies
2. Create sustainable intervention that empowers the grassroots beneficiary

SIF has run three cohorts of its flagship Acceleration Program. Through this program, they have supported a diverse cohort of Social Enterprises working in the area of Women Empowerment, Education, Healthcare for all, Environment, etc. They have supported 36 Social enterprises from over 8 cities and impacted more than 3,00,000 people. Some of their Start-up entrepreneurs are

1. Allika
2. Ignis Careers
3. Sid's Farm
4. Vijayasri Jute
5. Ameya Life

SIF and IIITH successfully applied for and were selected under Atal Innovation Mission, NITI Aayog, which culminated in the establishment of AIC-IIITH Foundation, an Incubator for Tech-Based Social Enterprises in April 2019.

### **Melaa - Facilitating market linkages for local artisans**

SIF and its partners also started and operated a platform, Melaa to facilitate market linkages for local artisans. The platform has: Organised over 22 stalls in various corporates and influenced the lives of 65 artisans by improving their sales on average by INR 4000-5000/- pm.

**Advocacy for CSR investments** on secondary education (SE) and job oriented vocational training (JOVT) for girls

SIF was the advocacy partner for influencing CSR investments on secondary education (SE) and job oriented vocational training (JOVT) for girls with Mahita, Deloitte and Plan International. As part of this project, through T-SIG SIF:

Organised a round table meeting where 30 CSR heads from different corporates participated.

Conducted a youth conclave, in association with Mahita, where CSR Heads had direct interactions with the beneficiaries.

Brought about CSR policy changes with almost 35 corporates, urging them to focus on the need for attention in SE & JOVT for adolescent girls and young women.

#### **D. ALEAP**

The Association of Lady Entrepreneurs of India (ALEAP) was established with an aim to bring Women Entrepreneurs trying to help each other on a common platform. ALEAP India was the dream of women entrepreneurs, who wish to train, guide and support and enhance the lives of other women. The association was established in December 1993 under section 25 of the company's act 1956 as a non- profit Organization. Today it holds the recognition of being one of India's premier institutions for women entrepreneurship. ALEAP developed the First Women Entrepreneurs Industrial Estate in India at Gajularamaram, Hyderabad with the support of Government of India under IID scheme. The estate has all the required Infrastructure facilities to transform women into excellent entrepreneurs. Central Government and State Government supported to develop the best Industrial estate in Hyderabad. Today there are more than 103 industries established and run by women entrepreneurs. The industrial estate was provided with all the required infrastructure facilities like electricity, water, drainage etc. The electricity is provided free of cost to the entrepreneurs by ALEAP. Today all the industries are being operated successfully without any hurdles by women. The following are the different areas in which industries are being operated:

- Food Processing
- Garments
- Packaging & printing
- Pharmaceuticals
- Bio-Technology
- Plastics
- Electronics
- Buildings Materials
- Diagnostics
- Paper cups
- And other services industries

One Stop Service provided by ALEAP made it possible for entrepreneurs to set up Industry without any loss of time on paper work, permissions and procedural difficulties are minimized.

As ALEAP is having MOUs with Commercial Banks and SFC's, members are able to access Credit without many hurdles.

Networking & Guidance regarding markets helps women entrepreneurs to penetrate into new Markets with the support of ALEAP.

Training is being provided in management of the enterprises and Awareness regarding export and quality certifications are imparted to prepare the members for expansion in the Globalize scenario.

ALEAP's project "EU-India network of Women Entrepreneurs" enabled them to understand the requirements and upgrade their quality standards to meet the Demand of EU markets.

## **VI. CONCLUSION**

This paper is a collection of research on corporate social responsibility with reference to select social entrepreneurship organizations in southern states of India. It is learnt that CSR has great importance for an entity but it is highly significant for social entrepreneurship companies as they are contributing significantly to our economy. Most of the studies reviewed in this paper are focused on the conceptual framework. However, it has been observed that none of the studies has taken into consideration all facets of corporate social responsibility. We recognize that companies have their own ways of contributing to the foundation of CSR in India. They have their desired methods of intervention, been addressing national concerns such as livelihood promotion, community development and environment, making health services more accessible, creating inclusive markets and so on. New Companies Act 2013 has increase the investment as well strategic efforts for CSR in India. Further research can be done by considering all aspects of corporate social responsibility practices.

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