



1. The Study of Development of Indian CSR in Medium Enterprises

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ABSTRACT

The study's objective is to discover how CSR is implemented and developed in Indian SMEs. There are a plethora of papers, books, manuscripts, and websites from which to draw information for this paper. When it comes to small and medium-sized businesses (SMEs), CSR may be utilized as a strategic tool in order to generate a strong brand image, increase income, and build deeper relationships with stakeholders, according to this study. An investigation of CSR's distinctive drivers, such as incentives that appear to be a smart way of supporting CSR hobbies, and the modern use a voluntary agreement that can encourage top practice are recommended in this paper, according to the conclusions of this study. Research is needed to better understand the business rationale for CSR, particularly for small and medium-sized businesses.

KEYWORDS:

CSR, ME, CSR development and its benefits, CSR implications in medium enterprises.

1. Introduction:

Recent years have seen significant changes in the corporate landscape due to the rise of globalization and the nature of competition. As their respective markets grow, firms are increasingly boosting the barriers they erect in developing countries they refer to as "emerging markets." To be able to compete effectively in today's globalized market, businesses must be honest about their business operations and pay respect to the public's interest. This is because of the current trend of globalization (Gray, 2001).

For Indian companies, corporate social responsibility (CSR) is not a foreign notion (CSR). India's "Vedic period," when it was created, was a period in which no records were kept. Kingly responsibilities to society were common at the time, while merchant responsibilities included building places of worship, schools, inns, and water wells. "Sarva loka hitam," which translates to "the well-being of all stakeholders," was true, but it was also true that business had moved its focus to creating wealth for society (Sengupta, 2012). India's

extraordinary place on the global business ladder has been guaranteed by its tremendous natural resource and labor capabilities. When it comes to capitalization and potential, the United States is on the rise generally speaking. Within the field of Corporate Social Responsibility and its pursuit, this rise has brought new obstacles (Nash, 2012). Long-established commercial families like the Birla's and the Tata's were already thinking about the importance of corporate social responsibility (CSR) decades before the term was coined. Few Indian corporations with global interests, such as Hero Motors, HLL (Indian Lever Ltd), ITC, and Maruti Udyog, are able to combine local dynamism and corporate standards. Bharat Heavy Electricals Ltd. (BHEL); Housing Development Finance Corp.; National Thermal Power Corp. (NTPC); Oil and Natural Gas Corp. (ONGC) all fall under this category of broad public sector businesses that have maintained their social responsibility after being privatized.

It is impossible to separate business from society. It's not only about money when it comes to business's social and environmental responsibilities; it also has a role to play in making the world a better place and making a profit (Harish, 2012).

The usual practice of focusing simply on earnings may need to be modified in order to integrate public goodwill and ethical business etiquette in order to gain from strategic innovation and secure long-term viability (Reynard and Forstater, 2001). While environmental stress has intensified due to India's currency's rapid expansion, the expanding gap between the middle class and the poor has also fanned social unrest.

As a result, companies must increasingly consider their wider social influence. Conventional wisdom dictates that shareholders should take precedence over all other stakeholders in a global economy, but this is no longer true. Developing countries' most vulnerable populations can be helped by firms' Corporate Social Responsibility efforts (CSR). Making CSR challenges more global can make them more difficult to overcome in the long run (Harish, 2012). When it comes to CSR in India, organizations form alliances and collaborations with strategies for long-term growth to achieve a realistic degree of grassroots growth.

This explication centers on the importance of all stakeholders coming together to establish a new social order that is both fair and simple. In India, a nationwide survey of corporate responsibility practices focused on these issues (Nash, 2012). Passive philanthropy no longer qualifies as social obligation, and it is no longer acceptable for people to just donate money. As of 2009, all public oil businesses in the region had to spend 2 percent of their net income on CSR. Additionally, the government ensures that public sector organizations fully participate in their CSR duties, in addition to those in the non-public sector

1.1 SME'S in India:

In terms of employment, output, and exports, small and medium enterprises (SMEs) play a critical part in the global economic boom. This quarter, the strategic importance of India's economy has been clear (Vadera & Kulshreshth, 2010). Large organizations, on the other hand, employ a much more labor-intensive production process than small and medium enterprises (SMEs). Agricultural economies benefit from low-cost processing sectors that allow workers to earn a living (Leutkenhorst, 2004).

In the decades following its independence, India's economy has grown at a steady but modest pace. Government actions such as the abolition of the License Raj, business reforms, and other factors contributed to the financial revolution of the United States (Europe-SME India Business Council).

Small and medium enterprises (SMEs) face both dangers and opportunities for growth (SMEs). Businesses of all sizes face new challenges and opportunities due to globalization, but it has also offered up new possibilities. Over 1.2 billion people in India comprise 17.31 percent of the sector's population and more than 60 percent of the United States' population is under the age of 35, making SMEs America's most valuable asset. While the US has a gross domestic product of \$14.72 trillion, India's GDP is only \$4.061 trillion.

To put this into perspective, GDP has increased at an impressive 8.2% annually and is projected to rise much higher in the next years. Even if India's GDP growth rate continues at its current rate, it will no longer take the country 40 years to catch up to the United States and China (Europe-SME India Business Council). Small and medium enterprises (SMEs) make about 7 percent of India's GDP (SMEs). According to the Third All India Census of Small Scale Industries, the number of small and medium-sized enterprises (SME) in India has increased from an estimated 80,000 in the 1940s to over 10.52 million today.

They employ over 25 million people and produce over 7500 distinct items, many of which are high-technology. Sports equipment and apparel account for 90 percent to 100 percent of total exports in this industry sector. For example, they include 90% of all US industrial units and 35% of Indian exports to other countries (Pandey, 2007).

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in phrases of which the definition of micro, small and medium organisations is as:

Manufacturing Companies – Plant and Machinery Investments USD (US dollars)
Enterprises that are smaller than a full-fledged Up to Rs. 25Lakhs Up to a maximum of \$62,500 over \$ 62,500 and up to \$ 1.25 million for small businesses exceeding Rs. 25 Lakhs.
Medium-sized businesses with revenues of at least Rs. 5 crores and up to Rs. 10 crores (\$1.25 million and \$2.5 million) Investing in Equipment for Service Firms INR USD (\$) Currency Up to Rs. 10Lakh Micro Enterprises An amount as high as \$25,000 Microbusinesses with revenues up to Rs. 2 crores (\$25,000) but less than or equal to Rs. 10 lakhs (about). In the Rs. 2 crore and Rs. 5 crore range, there are about 5 million medium-sized companies. At least five million dollars and up to \$1.5 million can be found in the budget here. It is expected that the percentage of Indian SMEs engaging in international commercial enterprise activities will rise from the current 31 percent to a projected 56 percent in 2013, according to HSBC's biennial research. According to recent studies, Indian small and medium enterprises (SMEs) intend to expand their activities outside of the country in the next years (Bandopadhyay, 2011).

The number of small and medium enterprises (SMEs) has skyrocketed during the last few decades. There were an estimated 6.79 million micro devices in 1990-1991, but by 2007-2008, there were over 13 million of them. By 2012, SMEs are expected to account for 22% of the GDP, up from 17% in 2011. The writers include (Raja Mohan and Dhuriaraj, 2012)

According to projections, India would overtake China and the United States as the world's third-largest economy by 2050 if small and medium enterprises (SMEs) account for 22% of GDP by that time (Indian Express 2011). In the year 2012, (Jeswal, 2012).

1.2 CSR Practices & Development in Indian SMEs:

It is vital for rising economies to have small and medium enterprises (SMEs) to help stimulate the economy. Stakeholders are able to articulate their needs in front of the public because they conduct business in a transparent manner in front of them. SMEs have a duty to their local communities because of their proximity to the people they employ (UNIDO Survey Report, 2008). CSR initiatives are now open to small and medium enterprises (SMEs). They were not given the attention they usually get from large firms in this quarter's CSR activities (Moon, 2011). Many people realize that small and medium enterprises (SMEs) make up a major amount of the country's output, employment and tax revenue. Small and medium-sized businesses employ more over half of the world's workers. [*] (SMEs). A tremendous impact on the well-being of society could be had if they are successful (Aras and Crowther, 2010). Corporations' social responsibility programs are bolstered by the participation of small and medium enterprises (SMEs). Adopting a new concept is difficult for all firms, but it's especially difficult for small and medium enterprises (SMEs). Insufficient cash and apprehension over new rules are two major roadblocks.

2. Conclusion:

In many cases, the lack of competence in SMEs' own workforce and the absence of consulting expertise in various sectors are the root causes of many of the problems they face. As a result, training as many personnel as possible on how to deal with CSR issues and processes should be a top focus in spreading CSR further down the supply chain. SMEs in a cluster may be able to assist each other in achieving their goals if they follow the advice in this document.

Small businesses can get involved in these sports with the help of these organizations, which have more resources, opportunities, and numbers. Some of the world's most prominent logo call organizations like CII and ASSOCHAM may be interested in establishing educational schools both regionally and closer to their home base. While these universities should be training future CSR managers, they should also be teaching current employees the skills they need to succeed in their current roles.

Corporate social responsibility (CSR) can be further expanded through participating in teaching government officials, alternative unionists, as well as individuals, non-profit organizations and the surrounding communities. Small and medium enterprises (SMEs) can look forward to help from a variety of sources in the future, including the government and the non-profit community. SME's can reap the benefits of a wide range of stakeholders' education.

Education institutions can be linked to a certification and accreditation program for managers of CSR, procurement, human resources, and other departments. A future organization for CSR managers based on high-quality training and assessment procedures may be established by businesses and governments all over the world in the future. Agencies

will have a more difficult time implementing their stated policies as a result of the added red tape. For small and medium enterprises (SMEs), these restrictions, which can be both costly and pointless, have the greatest impact. If a company's power can be used to ease the systemic issues of the global economy, then voluntary CSR may be an option to explore.

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