**PAPER PRESENTAION**

**ON**

**CORPORATE SOCIAL RESPONSIBILITY AMONG ENTREPRENEURS**

**BY**

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**Introduction**

There is urgent need globally for entrepreneurs to be socially responsible as this is the only way that entrepreneurship development can be attained. The existence of small and medium sized companies is vital to the generate jobs and wealth in developing countries, and this can be championed by entrepreneurs and via sustained entrepreneurship activities. There is a general misconception that entrepreneurs are just profit minded and are never interested in giving back to the society. Therefore, engaging in a sustainable entrepreneurial activity requires change of public perception. There is the need to clear out the general misconception that most entrepreneurs are seen as gangsters, Villains, thieves rather than heroes and champions of economic development (Starcher, 1997). This negative image and perception can be cleared out through socially responsible behavior at least in the interim. So there is an important link between social responsibility and entrepreneurship. This is vitally important as being a socially responsible entrepreneur can change the perception of those engaging in entrepreneurship, and hence more participation in it.

**Entrepreneurship and social responsibility**

Entrepreneurship has emerged as a distinctive area of academic inquiry, with unique problems and questions that can be productively studied in their own right. Second, and put simply, entrepreneurship is an inescapably ethical activity – whether one views it from the societal, the organizational or the individual level, entrepreneurial action has powerful ethical dimensions and implications (Durham, 2005). Today, researchers and business practitioners highlight the potential of managing business-society relations more strategically. There is an intensive agreement that companies need to develop linkages between their business strategies and societal stakeholder’s impact strategies. Therefore, corporate social responsibility becomes one of the most influential topics both in academic world and in real life practices. Relative to CSR, newer concept “Business Enterprise” also attracts the attention of many practitioners from different disciplines especially after Nobel Prize Laureate Muhammad Yunus promoted the concept in Nobel Prize Ceremony. According to the results of the paper, this perspective acknowledges potential trade-offs between short-term profitability and social and /or environmental goals, but still focuses on the opportunities for competitive advantage from building a social value proposition into corporate strategies. Additionally, these strategies range from simple form of donations to active engagement in Corporate Social Responsibility to Business enterprise. Although the ultimate goal of solving a specific social problem remains constant, the mechanisms, philosophies and strategies of all applications differ significantly.

**Corporate Social Responsibility**

Corporate social responsibility (CSR) has a long tradition especially in family businesses but it really came to distinction in the last decade when large multinationals began to adopt it to demonstrate that they were serious about delivering a positive social impact on the communities in which they operated. The societal contributions of companies have originated from different motivations – perceived moral or religious obligations, philanthropic considerations, or economic self-interest as health and education services could also yield business benefits. While there is substantial agreement that corporate social responsibility (CSR) is concerned with the social obligations of business, there is less certainty about the nature and scope of these obligations. The development of corporate social responsibility has been carried out mainly in the North from the 1950s onward, a considerable number of definitions and conceptualizations have been provided to the literature. However, the notion of corporate social responsibility is sometimes hard to grasp for companies because of an abundance of unclear and biased CSR concepts. The confusion surrounding CSR is a potential problem for companies in terms of making socially conscious investing decisions that provide sustainability. According to Weber, a researcher, the term CSR can be broadly defined as “*voluntary corporate activities to tackle social and environmental aspects*.” Correspondingly, CSR can be understood as a form of corporate self-regulation beyond mere compliance with the law.

**Corporate Social Responsibility Versus Business Enterprise**

Business enterprise and CSR have much in common. Both want businesses to take the interests of all stakeholders and especially the non-shareholders, while taking a larger and serious role in addressing social and environmental problems. Yet, there are important and underexplored differences. The differences between two notions, based on their purposes, structures, targets, profit related policies, compliance issues and shareholders perspective are listed below on the table; Yunus also differentiates CSR initiatives of profit-maximizing companies from his concept of social business. With reference to an organizations primary purpose he argues that a profit-maximizing company could only devote a small portion of its resources to a social purpose. However, microcredit is used to establish social businesses that are self-sustaining.

According to Yunus: “*In the present-day economic system, CSR would run up against a basic problem – managers’ legal obligation to their shareholders to maximize profits unless they mandate otherwise. They have to design the company to pursue profit first and then add the social features – provided that the social features don’t interfere with maximizing profit*”. While businesses try to reach poorest of the poor, companies aim to meet expectations of stakeholders.

By their very nature, traditional corporations are not equipped to deal with social problems, whereas social business (exempted from shareholders monetary interests) can exclusively concentrate on delivering social benefits. Moreover, as the social benefits ratios are not universally set, motives of some CSR activities of firms remain questionable. Opponents of CSR, criticize some companies’ misuse of the concept as a tool of public relations in the form of “window dressing.

Additionally, sustainable CSR projects mean cost for the companies and shareholders. Although CSR is valued by individuals, they would not bear that costs due to economic purposes of firms. Especially shareholders would not approve corporate spending on social problems when it is considered that a portion of profits are allocated to CSR. In this case, entrepreneurs would be responsible to pay all that costs. However, social business core purpose is to provide solution to a social problem. Therefore, shareholders or entrepreneurs would receive satisfaction to distribution of corporate profits to social problems. CSR efforts usually focus very limited scope of social problems. In general CSR projects aim to reduce social and environmental negative impacts of a company. But, social business movement is anticipated to defy more specific social problems such as nutrition, child abuse, disabled. In addition; individuals who owned social business idea, are better than big companies at scanning problems that need to be overcome

**Inherent Risks involved in Entrepreneurship Engagement**

It is important to emphasize that creating a new enterprise involves significant risk. In studying a new venture, at least five major risks must be evaluated. These are:,

1. The product/market risk:
2. The managerial risk:
3. The technical risk:
4. The competitive risk:
5. Financial risk:

It is obvious from aforementioned importance and nature of the risks involved that one of the important tasks for an entrepreneur is to transfer some of the risk to others. It can be said that successful entrepreneurs are extremely clever in getting others to share in their risk, doing this, it becomes increasingly difficult to act in a socially responsible manner; and if the action is not checked, it can cost the entrepreneur a lot.

**Firm Socially Responsible:**

A firm is socially responsible to itself, stakeholders, third parties and the environment.

1. Stakeholders
2. Employees
3. Government
4. Supplies/Creditors

**Significance of Entrepreneurship business:**

According to Nwachukwu (2005), the concept is that the entrepreneur produces or sells products or services to the consumer. Hitherto, the generally popularized emphasis has been on “caveat emptor” i.e. let the buyer bewares, but what the Nigerians seem to be far saying at present is “caveat venditor” i.e. Let the seller beware. The seller is to be held responsible for producing and distributing safe products and services of all times. The entrepreneurs’ responsibility extends beyond those who patronize him, to all the society as a whole. Thus, he is accountable for his performance to the co-owners the distributors, the suppliers, the consumers and to the society in general.

Thus, a socially responsible entrepreneur commits resources to the community town or village in which he operates. He as a result benefits more as he is identified as a lover of the people. The people in reciprocity love him, protect his interest and create a peaceful environment for his business to flourish. This helps his business grow as more and more profits are made and ploughed back into the enterprise.

**Employment generation and Entrepreneurship**

Entrepreneurship is an option for Nigerian graduates. The reality is that our youths graduate in geometric progression but the available job opportunities is in arithmetic progression (Oluwashola, Jimmy, AyindeDiagbon, the Nation Newspaper August 22, 2015 pg 10).Lots of individuals are laying complaints about youths wasting away, without proffering solutions to these predicaments. Thank God for successful entrepreneurs like Tony Elumelu, who through its foundation (Tony Elumelu Foundation, an NGO) is looking at training a lot of youths to be self-sufficient through their focused entrepreneurial programs.

The government, and indeed other NGO’s, successful business men and politicians should really look at entrepreneurship as a means of creating jobs for the teeming youth population. Not only in the creation of jobs but also in the provision of enabling environment such as electricity, security and availability of capital.

* Resources (Capital)
* Agriculture
* Human Capacity Building
* Unsafe Products

**Conclusion**

It can been seen that entrepreneurship and social responsibility are ingredients that go hand in hand if an enterprise must succeed and operate sustainably. There must be an Entrepreneur’s Social Responsibility (ESR) in place (Manikandran, 2014). It combines the entrepreneurship with a mission to serve the society. Entrepreneurship is not only limited to starting business for profit but also should combine notions of innovation, changes, opportunities and resources along with social responsibility. This evolution of ESR has to be considered as a new entrepreneurial culture among youths and it has to be seen in a different and new dimension. ESR ensures the better living and improving communities through their social activities; and providing amenities to the poor and the entrepreneurs can develop better impact social interventions to lift the people out of poverty or alleviate their suffering. Further more, Entrepreneurs create value by shifting the resources of the society from lower to higher yields; Entrepreneurs practice should be aimed at a sound business practices but should bring a high integrity of their business with that of the society and its needs. An entrepreneur should look beyond the bottom line of monetary benefit and should have a higher sense of responsibility. Entrepreneurs are to be more ambitious by trying to tackle the major issues in the society which requires an immediate attention and bring about changes in the society, if this is done, Entrepreneurs will realize that they have gained self-esteem. They will feel good by “giving back to society”; they will as well feel they are new and recognized entrepreneurs for being socially responsible. The can work with a passion. They will be more successful in their business and will make a difference in the way entrepreneurship is done; ultimately the way they are seen by others will be changed.

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