

## **Enhancing Business Competitiveness through Social Sustainability: A Case Study of Sakthi Masala Private Limited**

**Dr. R. Babita and Dr. M. Uma Maheswari**

Assistant professor of Commerce, S. T.Hindu College, Nagercoil

### **ABSTRACT**

*The first six of the UN Global Compact's principle focus on the social dimension of the corporate sustainability of which human right is the corner stone. Social Sustainability evaluates the impact of the value chain on society and rural development. Directly or indirectly, companies affect what happens to its employees, customers and to the local communities where it operates. It is indeed an important responsibility on their part to manage the impact proactively by doing business in ways that benefit society, protect people and contribute to their upliftment. Therefore it is important that the corporate sector should strive to enhance its business competitiveness through social sustainability*

### **INTRODUCTION**

Social Sustainability is a process or framework that promotes wellbeing within an organisation's own members while also supporting the ability of future generations to maintain a healthy community. It is considered one of the three main pillars of corporate sustainability, alongside economic and environmental sustainability, also known as People, Planet and Profit. Social Sustainability is neither a set of rules governing how to operate a business nor an established, nationally or globally recognised set of standards. A definition has been developed by Social Life, a UK-based social enterprise specialising in place-based innovation. They define social sustainability as "*a process for creating sustainable, successful places that promote wellbeing, by understanding what people need from the places they live and work. Social sustainability combines design of the physical realm with design of the social world – infrastructure to support social and cultural life, social amenities, systems for citizen engagement and space for people and places to evolve.*"

### **DIMENSIONS FOR SOCIAL SUSTAINABILITY**

Nobel Laureate Amartya Sen gives the following dimensions for social sustainability:

- **Equity** - the community provides equitable opportunities and outcomes for all its members, particularly the poorest and most vulnerable members of the community
- **Diversity** - the community promotes and encourages diversity
- **Interconnected/Social cohesions** - the community provides processes, systems and structures that promote connectedness within and outside the community at the formal, informal and institutional level
- **Quality of life** - the community ensures that basic needs are met and fosters a good quality of life for all members at the individual, group and community level (e.g. health, housing, education, employment, safety)
- **Democracy and governance** - the community provides democratic processes and open and accountable governance structures.
- **Maturity** - the individual accept the responsibility of consistent growth and improvement through broader social attributes (e.g. communication styles, behavioural patterns, indirect education and philosophical explorations)

Social sustainability criteria are those that are mostly qualitative in nature and are difficult to define. They include social acceptability, social well being, resource conservation, rural development and workforce training, health and social equity, labour rights, practices and decent working conditions, community development and well being. Although few conceptual frameworks can be developed, these changes cannot be quantified easily and accurately.

## SIGNIFICANCE OF THE STUDY

Social sustainability has had considerably less attention in public than economic and environmental sustainability. Social sustainability for business encompasses the impact of corporations on people and society. It is the most difficult of the three pillars to measure. This social brand value is a benchmark for customers and their purchasing decisions. A case study of Sakthi Masala Private Ltd. has been taken up to understand and make aware of the social welfare activities undertaken by the company even before the legal implementation of corporate social responsibility (CSR).

## METHODOLOGY

The paper is purely conceptual in nature and is a case study. The informations are based on secondary data taken from newspapers and websites.

## SAKTHI MASALA: ORIGIN AND DEVELOPMENT

The founder of the company Mr. P.C. Duraisamy was a small time turmeric trader from a village Perundurair near Erode. He found Sakthi Trading Company in the year 1975 and was doing turmeric trading. Later, he entered into the arena of pure spice powders like turmeric, Chilli and Corriander. His inquisitiveness let him to enter into masala world. He encountered a lot of hurdles since selling masala powders during those days to the oriental women who are traditionally conservative, was not at all easy. In its early days, the biggest hurdle the company faced was not competition from multinational companies or established local players. Rather, the challenge was to change age-old cooking practices in Tamil homes where women preferred to make the masala powders themselves, as they were particular about taste and quality. Buying them was unthinkable, and the company had to win over the housewives.

Sakthi Trading Company was transformed into Sakthi Masala Private Limited in the year 1997. Now Sakthi Masala manufactures over 50 varieties of spice and masala powders, over a dozen varieties of pickles, flour varieties, appalams, ghee and sunflower oil. Success of sakthi masala lies in the innovation of manufacturing procedures as there were no definite machineries for specific production of spice and spice mixes. With growing experience, suitable changes were made in order to match the requirements whereby the aroma and flavor of spices are retained. The company uses modern technology in drying the raw materials. It uses solar heating panels to dry the raw materials with losing its natural quality, flavor and aroma.

## BUSINESS SUSTAINABILITY/ENHANCING BUSINESS COMPETITIVENESS

Sakthi does not purchase produce unless a member of the family that owns the company personally inspects and approves it. The customers of sakthi masala are the housewives and those who need easy and quick cooking solutions. Restaurants, hostels, hotels, canteen are the other prominent consumers. The 'Queen of spices' is the household name among the millions today through its strong marketing network. With self-determination and persistent attempts the entrepreneur was able to get into the kitchens of India and the rest of the world. The global presence of sakthi masala in the International Spices Markets, constitutes more than 20 per cent of volume traded. The products of sakthi masala are exported to the USA, UK, Singapore, Kuwait, Australia, New Zealand, Hongkong, France, South Korea, Muscat and Canada.

It was the concept of selling on "Easy Cooking" rather than marketing food products. The company was successful in blending tradition and technology. Quality is the watch word for sakthi masala and its believes in providing quality products of international standard to the consumer at an affordable cost. Sakthi masala declares itself as qualitatively superior product because the raw materials used are the best and processed and packed hygienically that is authenticated by several awards and recognitions in their name. The quality products, fair business practices and social upliftment is the mantra for sustainable development. They aim at overall leadership in the market through empowered employees, sustained efforts and continually improving product quality. The success of sakthi masala is the fruit of his hard work and business and social focus along with understanding and supportive life partner Mrs. Shanthi Duraisamy, the director of the company. The most admirable part is that a woman who could not complete her education because of financial constraints was conferred with Honorary Doctor of Science by Tamil Nadu Agriculture University, Coimbatore in the year 2009. Began with an investment of Rs 10,000 in a 300 sq ft space today occupies more than 30 acres, employs 1,000 workers, and has a turnover of more than Rs 330 crore.

## SOCIAL SUSTAINABILITY APPROACH

Sakthi masala is serving the society through **Sakthidevi Charitable Trust**, as extended arm of Sakthi Masala. The trust was founded in the year 1997 to promote the cause of community development services such as upliftment of physically challenged and mentally retarded, Educational Assistance to pursue higher Education, Appreciation to School Toppers in Government Public Examinations, Establishment of Libraries in Government Schools and Mass Tree Plantations are the other social welfare activities of Trust. The social upliftment endeavours of sakthi masala are carried in various forms. The commendable efforts are discussed in brief.

**Upliftment of Farmers and Rural Community focusing women employment:** Sakthi Masala gives value addition to the agricultural products which helps and encourages the farming community to market their produces. Furthermore, they generate a lot of employment opportunities to the agricultural labours and rural people. The company employs mostly women and differently-abled persons from the rural areas and makes them to lead an honorary life.

**Sakthi Hospital:** It is run by the Trust to serve the public and free consultancy by Specialised Doctors is offered in the fields of General Medicine, Ortho, Dental, Eye, ENT, Skin, Gynecology, Paediatric & Rehabilitation. Periodical Medical Camps are conducted by the Specialised Doctors. The Trust is deputing Doctors and other Staff every week to conduct free Medical Check-up and Counselling for the inmates of "The Home for the Elderly" run by Lions Club of Erode Mid Town.

**Special School:** It is being run by the Trust for Mentally Retarded children upto 14 years, free of cost. After the training by Special Educators the children are being admitted to the regular schools. Slow learners hailing from surrounding villages are given special training by Special Educators during evenings to improve the learning skills. The School is approved by the State Commissioner for the Disabled, Government of Tamilnadu.

**Sakthi Rehabilitation Centre:** It is run by the Trust is Constructed in 10000 Sq.ft and fully equipped with latest equipments, offers free treatments daily to physically and mentally challenged children by qualified Physiotherapists in Exercise Therapy, Electro Therapy, Speech Therapy, Occupational Therapy. More than 150 children are benefitted. Further, a Dietician is giving advice to the Children/Parents/General public on their diet habits to maintain good health.

**Educational Assistance Programme:** Every year educational assistance is provided to pursue Higher Education in the field of Medical, Engineering, Arts and Science. Erode district Government School Toppers (1st & 2nd rank) in 10th & 12th Public Examinations are appreciated with Cash Prize & Certificate. Every year around 450 students are benefitted by these schemes.

**Vazhikatti (Guide) Project:** Under this Project, three Government Schools located in Erode district are adopted. Libraries have been established in these schools in the name of "Dr.A.P.J.Abdul Kalam" by the Trust. Staff members are appointed to manage the Library. It benefits over 6000 students and Teachers. Apart from the above, Personality Development programmes, Computer, Spoken-English, Home Keeping, Tailoring classes are conducted at regular intervals.

**Tree Plantation:** Trust is maintaining a nursery and growing various types of saplings for free supply to needy people, interested in Tree plantation under the project called "THALIR". Cash Awards, Shields, Certificates, Gold Medals are given to best tree growers in a function every year to encourage the general public in Tree plantation. More than One Lakh saplings were supplied/planted at free of cost so far.

**Aid To Schools:** On request from Government / Municipal / Panchayat Schools for construction of additional blocks, Library block, toilets, compound wall, water facilities, etc, the Trust has been donating money for the construction of buildings etc, through Parents Teachers Associations in various rural places in Erode district.

**Project "Jeevan":** A unique project "JEEVAN" a basic life supporting training programme is being conducted every month from September 2008 for the NCC, NSS, Youth Red Cross, Social Service League Students, Public Service Personnel and other volunteers in partnership with Indian Medical Association Nursing Home Board. This programme will be conducted for 4 years for the benefit of the general public.

## AWARDS AND ACHIEVEMENTS

Sakthi Masala and its group of companies bagged many awards and recognitions from the State and Central Government and other bodies for their contribution to the society. They have to their credit Best Small Scale Entrepreneur Awards, Outstanding Entrepreneur Awards, National Awards for Quality Products, Safety Awards, Fair Business Practice Awards, Best Private Employer Awards, Mother Teresa Commendation Award, Corporate Social Responsibility Awards, Highest Tax Payer Award, National Level Best Medium Scale Award, Shell Helen Keller Award, National Award for welfare of persons with Disabilities, Shree Sakthi Puruskar, National Award for Outstanding Entrepreneurship Efforts, Makkal Award, Rural Awards and many Excellence Awards.

## IMPLICATION OF THE STUDY

The corporate sector is by and large shifting from a purely profit driven approach towards addressing challenges and opportunities of sustainable company management. Social sustainability has gained considerably less attention from researchers and decision makers in comparison with economic and environmental sustainability. Accomplishment of sustainable development without social dimension would be an effort in futility.

Sustainable development is attainable if the social dimension could evenly balanced with the other two dimensions. Sakthi Masala Private Limited has taken up this neglected dimension of sustainability effectively focussing on human rights of specific groups namely women's empowerment, gender equality, people with disability as well as issues such as education and health. Through its impactful steps towards achieving social sustainability going hand in hand with business competitiveness, it is suggested that the company may also contribute in ways to improve the lives of the people they affect such as by creating employment opportunities, goods and services that meet their essential needs and more comprehensive value chains, making strategic social investments and promote public policies supporting social sustainability.

## CONCLUSION

The journey of a small turmeric trader from a small village to a well established brand name in the masala world, the case study of Sakthi masala Private Limited, is an inspiring success story of business competitiveness through social sustainability. The company, even before the implementation of the CSR regulations, had taken up its role in contributing towards social responsibility for the welfare of the community. The integration of social sustainability and business competitiveness in the strategic process continuously improve their existing processes and performance. Companies with corporate social sustainability can identify and take advantage of the new business opportunities while contributing towards the welfare and upliftment of the society. Hence, it is evident and is concluded that there is certainly a positive relationship existing between social sustainability, business competitiveness and success.

## REFERENCE

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