

Recent Trends in the Development and Management of the Social Business Sector in Bangladesh

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Extended Abstract

Social business (SB) has become a buzzword currently in international business management development discourse. The study is examined recent trends in the development and management of the SB sector in Bangladesh. However, in the context of Bangladesh, the problem with recent trends in the development and management of social business enterprises (SBEs) are that very few research activities were done to articulate their styles, strengths, issues, and weaknesses. The various aspects of recent trends in the development and management of SBEs and their similarities and differences need to be studied to fill up the existing research gap in this rapidly expanding sector. Based on the survey of research literature, interviews of social business activists/leaders/scholars, review of social business enterprises' own published and unpublished documents, government laws and documents, and a firsthand investigation into the origin of social business enterprises (SBEs) in Bangladesh namely Grameen Bank, Grameen Family of Companies, and BRAC, the study contributes to a) explore on social business as a distinctive kind of business corporation, b) recent trends in the development and management of the social business sectors, c) find out current development and management strategy and structure of SBEs. This study has divided the SB concept into three perspectives namely, a) American perspective, b) European perspective, and c) Bangladesh perspective. The characteristics features of SBEs and how does it evolve in the society of Bangladesh are divided into three stages as follows: Firstly diversification, at the beginning stage BRAC and Grameen Bank focused on the concept of diversification to establish as nonprofit organization and welcomed American and European perspectives equally. Secondly convergence, later BRAC and Grameen Bank emphasized convergence of the nonprofit sectors and declared their nonprofit business as a non-dividend business and profit will be used for business expansion instead of using donor money. Thirdly eventually in 2010 Yunus introduced this nonprofit business as SB through his "non loss, non-dividend" which has been adopted many world-

leading businesses, new entrepreneurs, NGOs, universities and research organizations including Japanese organizations namely Toyota, NTT, JICA, Kyushu university, OMRON to name a few. As the study aims to examine recent trends in the development and management of the social business sector in Bangladesh, the mixed method is used as its main research tool. In order to achieve this objective a questionnaire survey and an unstructured interview was conducted on 44 selected SBEs of BRAC and Grameen family of companies. In fact, this research is carried out on seventy-one aspects of five management practices namely corporate mission, corporate social responsibility, corporate governance, human resource management and project management and implementation in SBEs of Bangladesh. The study concludes that the four main areas help to understand the current context for social enterprise development including a) NGO and civil society activity, b) microfinance development and regulation c) private sector development and investment, in particular micro, small, or medium-sized enterprises (MSMEs) and d) corporate social responsibility (CSR). Moreover, there is no direct law to register and regulate SBEs in Bangladesh instead there are laws that allow doing SB. SBEs are registered under the Societies Registration Act 1860 and most of the Grameen SBs are registered under the Section 28 of The Companies Act 1994. However, corporate sectors are still in their initial stages in Bangladesh. The current system in Bangladesh does not provide sufficient legal, institutional, and economic motivation for stakeholders to encourage and enforce corporate governance practices. In addition, not only BRAC and Grameen Bank but there are also a huge number of NGOs in Bangladesh including Japanese NGOs (such as Shapla Neer, International Angel Association, Japan-Bangladesh Human Rights and among others) play numerous activities to develop territory and engage in the broad socio-economic uplift of the poor in rural and urban areas.

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