



Business Ethics and Corporate Social Responsibility

KEYWORDS

Business ethics, Corporate Social responsibility and Business administration

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ABSTRACT *There is always dilemma between business ethics and social responsibility. Business ethics and Corporate Social responsibility sparked a new debate in the field of Business administration as well as economic practice. from the business point of view each and every organization tries to achieve main goal, which is obviously to "Maximize profit" but while doing so the organization should also consider their moral, ethical and social obligations. If these obligations are neglected in the long run it would implicate many devastating results, while fulfilling those could prove to be very valuable assets in the long run.*

"What you are thunders so loudly that I cannot hear what you say to the contrary." - Ralph Waldo Emerson.

In this paper we will consider the factor of Business ethics as assets of business organization. Running a socially responsible and ethical company isn't just the "right" thing to do – it's often the best thing for your business by creating a company that stands for ethical values, you show people's integrity, empathy, characteristics that may seek in the people they do business with. Ethics and the corporate responsibilities are interrelated with each other so we will try to understand its importance and will give our suggestions regarding the maintenance of ethics with the fulfilment of corporate social responsibility.

II. INTRODUCTION:

Business ethics is the behaviour that a business adheres to in its daily dealings with the world. The ethics of a particular business can be diverse. They apply not only to how the business interacts with the world at large, but also to their one-on-one dealings with a single customer.

Many businesses have gained a bad reputation just by being in business. To some people, businesses are interested in making money, and that is the bottom line. It could be called capitalism in its purest form. Making money is not wrong in itself. It is the manner in which some businesses conduct themselves that brings up the question of ethical behaviour.

Good business ethics should be a part of every business. There are many factors to consider. When a company does business with another that is considered unethical, does this make the first company unethical by association? Some people would say yes, the first business has a responsibility and it is now a link in the chain of unethical businesses.

Many global businesses, including most of the major brands that the public use, can be seen not to think too highly of good business ethics. Many major brands have been fined millions for breaking ethical business laws. Money is the major deciding factor.

In today's economic and social environment, issues related to social responsibility and sustainability are gaining more and more importance, especially in the business sector. Business goals are inseparable from the societies and environments within which they operate. Whilst short-term economic gain can be pursued, the failure to account for longer-term social and environmental impacts makes those business practices unsustainable.

Corporate Social Responsibility (CSR) can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of its stakeholders.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

III. IMPORTANCE OF BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

In this cut throat competition as like profit we have to give equal importance to ethics as well. We live need to study business ethics to make better decisions for ourselves, the businesses we work for the society in. why social responsibility and business ethics is important in business it can be explain in three simple reasons:

3.1 People want to buy from ethical businesses:

In the cut throat competition the companies have to satisfy their customers and as well as earn their main goal of profit. Some companies while earning profit prepares their product by disturbing the environment and even sometimes becomes unethical. Thus the companies have to focus on all their social responsibilities as then they can maximise the customer's satisfaction. Thus there are the companies who produce the products in aneco-friendly manner and even the customers are supporting the companies from being ethical in the market, and thus buy the product which is ethically produced by the companies.

3.2 People Wants to work for ethical business:

Would you rather work for a company that stands for something benefiting humanity as a whole, or a company that just stands for its own profits? Employees in ethical businesses are often willing to work harder, with more passion for the same or even sometimes less pay than their more cut-throat counterparts. Not only will people give more to your business without you having to ask, but you'll also enjoy working there more! When the people around you love their work, you'll naturally enjoy your working environment more.

3.3 People want to partner with ethical business:

Socially responsible and ethical businesses often find that other businesses come to partner with them before they look to partnering with other less socially responsible companies. Take Kiva for example, a non-profit micro-loan facilitation website. They get literally hundreds of thousands of dollars every year in free legal and organizational work that they'd never get if they were primarily motivated by money.

You don't need to be a non-profit company to get the same treatment.

If your company as a whole conducts business in a way that benefits the greater good, people will generally want to do business with you rather than the other guy, all else being equal. The bottom line is, people want to be associated with businesses that are moving towards being socially and ethically responsible.

The days when businesses can walk all over their employees, trash the earth, destroy the long-term health of the economy and still prosper are over. Today consumers, employees and business owners alike are becoming very aware of the many social and ethical issues that abound in today's world.

Building a business that caters to this awareness is not only the right thing to do – it's smart business!

IV. BUSINESS ETHICS RELATED TO CORPORATE SOCIAL RESPONSIBILITY :

"Corporate social responsibility is just the way of the world. It is about a change in world-wide consciousness. The train is moving – in some countries slowly maybe and in some countries faster – but it is moving. And businesses can either get on board or get off." Joseph Blumberg, Vice-president, Group M.

Many organizations are aware of the critical need for ethics in their cultural fabric. However, there is still a great deal of room for improvement. First, organizations must see ethics as a social responsibility to which they are obligated. No matter how cleverly done, hurting others for personal gain is unacceptable. Next, ethics will only find its proper place in organizations that make it a priority by creating relational expectations that work for the good of everyone. Finally, the best organizations will seize the opportunity to shape the future by influencing culture through the institutionalization of ethical values. By creating a values-based culture within the organization, society can be improved by positive influences that perpetuate outside the organization.

4.1 Acting responsibly to satisfy the society:

Management's consideration of profit, consumer satisfaction, and societal well-being of equal value in evaluating the firm's performance. Contributions to the overall economy, job opportunities, and charitable contributions and service. Organizations measure through social audits.

4.2 Responsibilities to General Public:

- Public Health Issues. What to do about inherently dangerous products such as alcohol, tobacco, vaccines, and steroids.
- Protecting the Environment. Using resources efficiently, minimizing pollution.
- Recycling. Reprocessing used materials for reuse.
- Developing the Quality of the Workforce. Enhancing quality of the overall workforce through education and diversity initiatives.
- Corporate Philanthropy. Cash contributions, donations of equipment and products, and supporting the volunteer efforts of company employees.

4.3 Responsibilities to customers:

- The Right to Be Safe. Safe operation of products, avoiding product liability.
- The Right to Be Informed. Avoiding false or misleading advertising and providing effective customer service.
- The Right to Choose. Ability of consumers to choose the products and services they want.

- The Right to Be Heard. Ability of consumers to express legitimate complaints to the appropriate parties.

4.4 Responsibility to Employees:

- Workplace Safety. Monitored by Occupational Safety and Health Administration.
- Quality-of-Life Issues. Balancing work and family through flexible work schedules, subsidized child care, and regulation such as the Family and Medical Leave Act of 1993.
- Ensuring Equal Opportunity on the Job. Providing equal opportunities to all employees without discrimination; many aspects regulated by law.
- Age Discrimination. Age Discrimination in Employment Act of 1968 protects workers age 40 or older.
- Sexual Harassment and Sexism. Avoiding unwelcome actions of a sexual nature; equal pay for equal work without regard to gender.

4.5 Responsibilities to investors:

- Obligation to make profits for shareholders.
- Expectation of ethical and moral behavior.
- Investors protected by regulation by the Securities and Exchange Commission and state regulations.

V. METHODOLOGY :

This paper which is presented is a qualitative type of research i.e. in a descriptive manner. The information which is presented is based on the review of the secondary data published in the latest books, periodicals and the references from the different journals. The help of the internet and various articles have been taken and after reviewing very minutely my own thoughts are been contributed and the paper is prepared and presented.

VI. FINDINGS:

Corporate social responsibility should be viewed as a process and not as a destination. It emerged in response to public disillusionment with the traditional role of business and continues to be driven by a combination of forces involving consumers, shareholders, and citizens. Over the last five years, efforts have been made to strengthen the CSR movement through rigorous processes of standardizing, reporting, and auditing social and environmental performance. Yet, progress is limited by the reality that CSR remains a purely voluntary, self-regulated movement.

VII. SUGGESTIONS :

The challenges facing CSR in the global economy are reflected in its limited acceptance by the oil and gas sector. For the most part, energy companies are looking for opportunities to engage corporate social responsibility that remain within the parameters of the traditional business model. There remains, overall, an uncertainty over corporate social responsibility and its related infrastructure. It is trite but it is true that CSR requires time and experience to prove whether it is more than a transitory management strategy. If public pressure continues to mount against corporations who act with impunity and if governments are granted a role in the monitoring and regulation of corporate activity, CSR could become a progressive and sustainable movement. If the status quo continues, however, corporate social responsibility will likely be dismissed as a management strategy that secures work for public relations consultants and social auditors but not much more.

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