

A REVIEW OF SOCIAL RESPONSIBILITY IN BUSINESS

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Abstract

A business enterprise is an important part of society and it should do its operations and earn money in ways that satisfy the expectations of the society. Social responsibility of a business refers to the obligations to take those decisions and perform those actions which are desirable in terms of the objectives and values of society. It is the idea that businesses should balance profit-making activities with activities that benefit society; it involves developing businesses with a positive relationship with the society in which they operate. Social responsibility is an ethical framework that suggests that an entity, be it an organization or individual has an obligation to act for the benefit of society at large. From a business perspective, it can be defined as the consistent commitment to behave in an ethical manner and contribute to economic development while improving the quality of life of a company's employees and their families—as well as local communities, the environment, and society as a whole.

Key Words: *business enterprise, Social responsibility, economic development*

Introduction

Social responsibility of business implies the obligations of the management of a business enterprise to protect the interests of society. According to the concept of social responsibility, the objective of managers for taking business decisions is not merely to maximize profits or shareholders' value but also to serve and protect the interests of other members of society such as workers, consumers, and the community as a whole. Social responsibility means that businesses, in addition to maximizing shareholder value, must act in a manner that benefits society. Social responsibility has become increasingly important to investors and consumers who seek investments that are not just profitable but also contribute to the welfare of society and the environment. However, critics argue that the basic nature of business does not consider society as a stakeholder. Social responsibility refers to the voluntary efforts on the part of the business to

contribute to the social well being. The moral idea behind this is that the businesses use resources of the society so they must give something back to society.

Objectives of the study:

- To study the concept of Social Responsibility in business.
- To analyze the role of businesses and companies in social development.

Research Methodology:

The present research paper has been depending upon the secondary data. The secondary data has been collected from various reference books, published government reports, unpublished research reports, project reports, unpublished research thesis, websites, annual reports, etc. The data regarding Corporate Social Responsibility has been collected by various sources of websites.

Review of Social Responsibility:

The business organization is a part of the socio-economic system but the objectives and functions of business depend on the environment in which it's operations. The business had only two objectives till the 1950s i.e. to provide goods and services and to earn profit only. To make a profit is the main objective of traditional business objective but the growth of awareness among people led reports thinking in business and there developing a number, of objectives i.e. service to customers, ethical behaviour to the community, social and economic security for workers, reasonable profit to the shareholder, observation of rules and regulations, etc. Now, we shall discuss the with reference to:

1) Profitability:

Every business organization's main motive to make a profit by creating more and more markets. This can be done only by searching out customers and finding their desire and capacity to pay for the products. The concept of marketing has been changed from demand-oriented to customer-oriented marketing. The entire focus is on customers. It has been said," the customer is the foundation of all business and business, for the most part, is the creation of Customer."

2) Innovation:

This encompasses means for improving the product or service and developing ways and also various skills and methods of production obligation towards customers, employees, and owners thereby fulfilling the social responsibility.

3) Productivity:

The business management team works efficiently and effectively to achieve this business concern by making optimum utilization of the input. This requires the functioning of the production management team in the most efficient way.

4) Planning:

This also plays a vital role in the functioning of business organizations. Planning for safety and sufficient physical and financial resources are necessary to provide goods and services to the community on time.

5) **Human resources department:**

This is the most important factor in the efficient functioning of business organizations. Constant efforts should be made to develop human resources which in turn will activate other resources which will increase the overall performance of the organisation

6) **Consumers :**

Consumers are the most important factors in the development of any business enterprise. The business should develop new and quality goods and services for its customers at the right time and fair prices. It should also protect consumers regarding poor quality, unfair trade practices, misleading advertising, etc.

7) **Workers:**

The business enterprise provides a healthy and safe environment for its workers. They also provide social and economic security for workers. An adequate opportunity should be given to them for their growth and development, improvement in education, and training so that they can have a fair chance to improve their prospects. Safety atmosphere and good working conditions help in increasing productivity. Efforts should be made to improve labor-management relation and the workers should be encouraged to participate in the management with responsibility.

8) **Owners and creditors:**

To provide a reasonable rate of return on the money invested has a social responsibility of business towards the shareholders and creditors. The organisation should function efficiently and provide correct information about its working to the shareholders.

9) **Government:**

The business community should extend full cooperation to the government in implementing policies regarding unemployment, food, distribution of income and wealth, regional development, etc. If there are any differences between the two of them should be sorted out by the mutual exchange of ideas and views.

The number of private companies has recognized their responsibility towards society. They have established numerous schools, colleges, management institutes, hospitals, technological institutes, places for religious worship, Dharamshala, museums, cultural centers, etc. Many companies have adopted villages for their overall development.

Conclusions

Businesses cannot operate in isolation. It has fulfilled the social and economic objectives in the environment in which it exists. The business has to engage itself in commercial as well as to play a vital role in promoting social welfare activities. In our society, voluntary actions are usually preferable over legal compulsion. A contemporary manager who wants to operate in the most open and liberal environment must develop an approach that considers both business and society. Moreover, the responsibility of business introduces a new dimension to executive decision making. Different political, social, cultural, and economic environment impact on both 5 he

development of and reporting of social responsibility of business activities and consequently impact on the value of these activities to benefit society and the natural environment.

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