

# Corporate social responsibilities (society). essay examples

[Business](#), [Organization](#)



## **ESSAY: RESPONSIBLE BUSINESS**

### INTRODUCTION

According to Banerjee (2007) doing the right thing is fundamental for a business organization. However, it is prudent to note that in this 21st century, it is not easy say and do the right thing. This paper aims at critically and coherently discussing the reasons why doing the right thing socially, economically and environmentally is a complex personal and corporate business decision.

Before, we proceed, it is prudent that to define what is corporate social responsibilities. This is because, the whole discussion of this paper revolves around the corporate social responsibilities. Corporate social responsibilities is the responsibilities of any given organization to ensure that the results of its activities yield positive impact socially, economically and environmentally by ensuring transparent and ethical behaviour which is consistent with sustainable development and the welfare of the society.

Ethical corporate social responsibilities take into account the expectations of the stakeholders and it is in compliance with applicable laws which is in consistent with the international norms of behaviour and which is integrated throughout the organization. This paper shall discuss the corporate responsibilities to the society, environment and corporate financial responsibilities. The paper will then eventually look the reasons why they have become a complex personal and corporate business decision in the twenty first century.

Entails the ethical business responsibilities to the society. It is crucial to note that the business organization have myriad responsibilities which they owe the society. Business organizations should ensure that they provide employment opportunities to the societies in which they operate. It is also the responsibility of the organization to ensure that pollution is maintained at its minimum rate, this is because excessive pollution of the environment may cause diseases to those living around the business organization. It is also true that organizations or corporations have contributed to the development of the society by participating in development or nation building. Certain business organizations may help in financing the construction of schools, libraries and universities. This is ethically right because it contributes to the development of the society. Later own, this paper will discuss why ethical social practises have become a complex personal and corporate business decision in the 21st century. Bolton and Benn (2011).

## **CORPORATE ENVIRONMENTAL RESPONSIBILITIES.**

Business organization has the sole responsibilities to ensure that the environment is fully protected. It is therefore ethically justifiable that the business protect the environment by ensuring that waste products are properly disposed. This is because failure to do that might destroy the environment and cause harm both to citizens and the animals both in the terrestrial and the aquatic environment.

## **WHAT ENTAILS BEING ECONOMICALLY RESPONSIBLE.**

Before discussing the reasons why doing what is right economically is a complex personal and corporate decision making process, it is crucial to explain what entails being economically responsible. First and foremost, it is prudent to note that firms that engage in socially responsible activities have the capacity to increase both their profits and capital formation hence contributing immensely to economic development. For instance, the firm can enhance its reputation by ensuring sustainable business by adhering to the ethical demands of the society and the environment in order to ensure sustainable development. However, it is true that making ethical decisions especially in this highly competitive world has become very difficult; it isn't a simple task as many may think. This paper therefore aims at critically and coherently discussing why doing the right thing has become extremely difficult in the 21st century. Thoma (1994)

Corporations across the world are tirelessly struggling with the new role meant to meet the needs of the present generations without necessarily affecting the future generation. Organizations are requested to take responsibilities for the ways their operations impact societies and the natural environment in order to ensure ethical sustainable development because ethical sustainable development is the basis for economic growth.

It is true that it is no longer acceptable for corporations to experience economic prosperity without necessarily being ethically fair both to the environment and society. For instance a firm has to ensure that its economic prosperity is in line with being a good corporate citizen. However, ensuring

ethical responsible organization has become to be a very complex decision to make in the 21st century. It is crucial to note that the quality of the relationships between the company and the employees, customers, investors' suppliers' government and communities is vital for the success of the business organization.

## **Benefits of Corporate Social Responsibilities**

Improved reputation management; is on record that organizations which performs ethically well with regards to corporate social responsibilities has the ability to build their reputation. Good reputation is a prerequisite for success of the business organization.

Good corporate responsibilities enable the organization to have enhanced ability to recruit and retain employees. For instance by doing what is ethically right to the society and the environment, the organization may have the ability to attract qualified work force from the society which in turn may greatly boost the performance of the business organization.

Enhanced operational efficiencies and cost saving; operating a responsible business has a direct effect of enhancing operational efficiencies and cost saving. For instance, assessing the environmental and energy aspects of an operation can reveal opportunities for turning waste streams into useful by product. Roome and Bergin (2006).

## **REASONS WHY DOING THE RIGHT THING HAS BECOME A COMPLEX PERSONAL AND CORPORATE DECISION MAKING IN THE 21ST CENTURY**

Different organizations have different strategies to ensure that societal needs, the natural environment needs and corresponding economical needs are ethically taken care of. However, integrating ethical business and also ensuring that the aim of the business organization which is to maximize profit is extremely difficult. This is because doing what is ethically right at times might not necessarily amount to maximization of the profit in the 21st century. For this reason doing what is right has actually becomes a complex personal and corporate responsibilities.

Despite the fact that research suggest that formal ethics and the legal compliance programs can have a positive impact socially, environmentally and economically, it has been noticed that by creating a formal program by itself does not necessarily guarantee effective ethics management. This is because of the complex nature of ethics decision making. The 21st century business are concerned mainly with making profit, so according to them profit come first and others such as corporate responsibilities to the environment and society comes second. So no matter how they may be destructive to the environment provided they make profit they won't care. Another reason why making ethical decision socially, environmentally and economically have become complex is because of inclusion of carbon tax or tradable permits in the market. We understand that polluting the environment is ethically wrong because environment protection is a prerequisite for sustainable development, however, with the emergence of

laws such as carbon tax and the tradable permits, it has become extremely difficult to make ethical decisions as to whether to pay tax and pollute the environment or not. Most managers when faced with such a situation base their decision on the cost and the benefits of polluting the environment and the relative carbon cost. If in a case polluting is more beneficial or will enable the organization to make high profit, then the organization simply pays the carbon tax and ends up polluting the environment. However, ethically this may not be right because pollution is likely to cause harm to society. For instance, excessive carbon dioxide in the atmosphere might cause global warming or even cause diseases to society. Such negative externalities are very dangerous to society while the organization's profit may not be affected.

It is crucial to note that the twenty-first century has brought corporate ethics scandals which have greatly affected millions of employees and also investors and sent shock waves throughout the business world. It has been noted that the shockwaves brought about by the twenty-first century have caused regulatory backlash. Many managers and academicians are worried of the increased corporate wrongdoing. It has been observed that ethical decisions have become complex phenomena to make in the 21st century. Despite the fact that various approaches have been put in place to ensure that doing the right thing prevails, it is important to note that where there is a challenging ethical dilemma situation, the solutions that are always offered by these approaches do end up conflicting with one another.

For example, a multinational manufacturing business may struggle with employment practices issues. Most Americans believe that it is ethically

harmful and against the law to employ children. However, it is also true that such children may contribute to family income. It therefore means that refusing to employ them may make them to engage in dangerous activities such as prostitution or even become thieves. Such children and their families may also risk starvation. This therefore means that respecting the rights of the children shall only contribute to greater harm. Under such conditions, deciding on the most ethical action becomes very complex.

Consequently, doing what is right is a complex, multi staged process which may not be very easy to arrive at. For instance, it moves from moral awareness to moral judgement where one decides that a specific action is morally justifiable to moral motivation and then finally to moral character. Because of the fact that the twenty first centuries is characterised by several uncertainties, it therefore becomes extremely difficult to make moral judgement or to do what is right.

It is prudent to note that the organizational context creates additional pressure and complexity. As we all understand, most of the time, moral judgement will focus on deciding what is right. However, it is not guaranteed that an individual who focuses on deciding what is right will necessarily do the right thing. It is not strange to find an individual making the right decision and failing to follow and do the right thing. This may be because of pressure in the work environment. For instance, in the 21st century that is characterised by industrialisation, we realise that it is ethically wrong to pollute the environment by poorly disposing off the waste products.

However, most of the time managers will always find themselves disposing of waste materials in a manner that is ethically wrong because he/she may



have no option.

Another important reason why doing what is right socially, economically and environmentally has become a complex personal and corporate decision making is because most organizations are nowadays mainly concerned in making profit irrespective of the negative externalities they may infringe to the society. For instance, it is prudent to note that despite the apparent acceptance of the corporate social responsibilities by business, many economists have argued otherwise going with the demands of the 21st century. For instance, economists such as Milton Friedman doubted the notion that corporate social responsibilities are desirable especially in a competitive world of the 21st century. Friedman stressed and maintained that the only social responsibility of a business was to maximise profits irrespective of the negative externalities that it is infringing to the citizens. However, he emphasised that there are certain circumstances when a firm's manager may engage in actions that may serve the interest of the society such as investments and contributions to charitable organizations to take advantage of the tax deduction. Turner (2007).

Economic downturn that was experienced and which is still being experienced in some economies has also contributed to the complexity in deciding what is wrong. The economic downturn has led to restructuring and downsizing, the organization have been forced to lay off some of its employees. Despite the fact that this act is ethically wrong, the organizations face complex corporate decision. This is because organization aims at maximising profit while economic downturn scales down the level of operation meaning that if it does not layoff some workers, then it is likely to

record losses. At this stage, deciding on what is wrong and good depends with the circumstances under which the condition is prevailing. This further makes decision making very complex.

In conclusion, it is prudent to state that doing the right thing is not simple as many may think, this is because it entails a complex multistage process.

Therefore, saying that I will do the right thing does not necessarily mean that it will be done especially in this competitive world. To a businessman the right thing may mean maximising on profit irrespective of the negative externalities that might be caused.

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