

Is increasing profits the only social responsibility of business

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Social Responsibility of a Business Social Responsibility of a Business A business' social responsibilities define both the economic and ethical duties it is obliged to perform in order to contribute towards, and uphold, the balance between the ecosystem and economy while promoting its workers' and customers' quality of life (Wayne, Matten, Pohl & Tolhurst, 2007). However, there have been differing opinions as to whether businesses have other social responsibilities apart from making profits alone. This paper will respond to the critical letter commenting on the opposing views presented by Friedman on one hand, and Porter and Kramer on the other. It will also give my opinion as to whether businesses have more to do socially than make profits.

As the author of the critical letter points out, both views are relevant in their own right. However, I disagree with an aspect pointed out by Friedman because he contradicts himself. This is when he says that the only social responsibility of businesses is to increase profits provided they are within the law and also without fraud and deception. He further goes on to say that it is not a business' responsibility to avoid pollution, abolish discrimination and provide employment (Friedman, 1970). That is a very irresponsible statement from Friedman because committing the three acts he has highlighted is not within the law for a business. Being an artificial person does not absolve a business from its responsibilities to the society in which it operates.

Conversely, my opinion is that Porter and Kramer are rational in what they believe businesses should do to society. They provide that it is not prudent for businesses to neglect the welfare of the society which forms their

customers and suppliers. Letting the environment degrade by, for example, not avoiding pollution, as suggested by Friedman, depletes natural resources critical to businesses and the society (Porter & Kramer, 2011). I also agree with Porter and Kramer that although businesses need to take the initiative to bring society and themselves back together, they are stuck in thoughts that social responsibility is not at the core of business but at the periphery. I believe it is in the best interest of businesses to be surrounded by a healthy society, and they should consider society as a key resource to their businesses. The idea of shared value may be costly for businesses to initiate and implement, but once in place, it will be mutually profitable to them and society and generations that are yet to come (Porter & Kramer, 2011).

In conclusion, businesses, and Friedman, must understand that a socially responsible organization is not only beneficial to the community and environment; it also increases its own chances of success. A survey indicated that customers expect businesses to consider how they impact the society in the same manner they consider their businesses (Wayne et al, 2007).

Majority of those questioned ensure that they transact with businesses that have views similar to theirs. This interconnectedness of interests and ethics emphasizes that businesses have more to do in social responsibility than making profits, and policies which underrate competitiveness of businesses work against their own interests (Porter & Kramer, 2011).

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