

# Rethinking the social responsibility of business



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The ethical issues presented in this case are the different views that each individual has on how the idea of corporate social responsibility (CSR). This dispute is between Mr. Milton Friedman, John Mackey, and T. J. Rodgers; all of which has a different outlook on CSR. The definition of CSR refers to the responsibilities that business has to the society in which it operates and to those actions that a business can be held accountable. Most philosophers have come up with three different types of responsibilities that corporations can be held accountable for.

The first and most important of the three is a corporation's duty to not cause harm. If a corporation can avoid causing harm to society and consumers then they are almost obliged to do so even if it is not required by law. The second responsibility is the responsibility to prevent harm. In this situation a business would have the responsibility to prevent harm even if they were not the cause of this harm. Thirdly there is the responsibility to do good, which would involve charity work and volunteering.

Now that we have gone over the three types of responsibilities that a corporation can use, let's talk about the three different models that these responsibilities can fall under. First is the Philanthropic model that suggests that a business has no strict obligation to contribute to social causes; but it can be a good thing when they do so. Second is the Social Web Model that views a business as a citizen to society itself. This model requires a corporation to adhere to the normal ethical duties and obligations that we all face.

Finally there is the Integrative Model where a business fully integrates economic and social goals at the core of their business models. All the participants had an opinion on which model or type of responsibility a corporation or business would have when it came to CSR. First off I would like to say that I agree mostly with John Mackey and his thinking that he generally wants to help better the community and the world. He has put together a mixture of both the Social Web Model and the Integrative Model in his own business model for Whole Foods.

Mackey has put both economic and social goals at the core of his business and at the same time is considering all of the stakeholders that his decisions will affect. In the reading John Mackey said " we measure our success by how much value we can create for all six of our most important stakeholders: customers, team members, investors, vendors, communities, and the environment. " (pg. 232) It is easy for me to relate to Mackey because if I owned a business I believe I would have a similar thinking process.

Also a bonus to being socially responsible is the fact that it increases the business's image and brings in more customers. This is where Friedman and Mackey have similar ideas. They both believe that being socially responsible will in effect generate more revenue and profit in the long run, but the difference is that Friedman is only interested in pouring the money back to the investors. Because of this I would have to say that Friedman is following a Philanthropic model of CSR.

Friedman thinks with an economic model of CSR driving his motivation, but he will also do anything to create profit; even if that means using social

responsibility as a means to an end. Friedman probably uses reputation management to build his image as a company solely because he thinks it is a good business decision and not because he genuinely cares about what he is doing for the community. As for T. J. Rodgers I didn't care much for what he had to say. He basically got really defensive and started taking stabs at Mackey. The reason for Rodgers defensiveness is the fact that he runs his business in the exact opposite from Mackey.

Rodgers opinion on running a successful business is to continuously seek profits and sees little reason for being socially responsible except to attract new employees and build good P. R. for the company. The way I see it; Rodgers uses very little Philanthropy and is more or less a follower of the economic model of CSR. Its funny how in the last 23 years Rodgers Semiconductor business has recorded more loss than profit with negative retained earnings of over \$408 million. It just goes to show that corporate social responsibility is worth it.