Free essay about organizational ethics and social responsibility

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In the modern business world increasing number of companies, realize that ethics is not exclusively individual feature or point of focus for non-profitable organizations. Changing and fast growing markets, where customers have a wide range of choice, it seems to be impossible to remain profit-oriented company. Therefore, the views of managers shift and evolve toward creating general philosophy of business with it's unique and fundamental ethics principles.

Organizational ethics represents company's eagerness to run socially responsible business that puts stakeholders' needs on the first place. Ethics is the basis that helps any organization to determine the obligations towards the society and do not perform in a way that might be damaging for people or environment (Abdullah).

Ethical values and social responsibility become substantial and serve a fundamental role in company's strategic planning process. Before any decision is made, executives should carefully evaluate a possible impact on all the stakeholders. Stakeholders are all the groups somehow connected to the company, such as suppliers, customers, shareholders, etc.

Moreover, strategic planning suggests company to plan the activities far ahead in the future, so management should take into consideration wide and long term perspective, inasmuch as company's environmental and social impact may be significant.

Social responsible company is the one that strives to make a decision making process more transparent and comprehensible for all individuals involved. Corporate ethics should encourage each member to discuss any important decision within the organization, nurture managers who are able to conduct open debates and ready to accept employees' offers in order to reach better solutions.

Companies that act according to ethical principles develop and maintain comfortable atmosphere when each member feels important, valuable and able to make a difference. All of these lead to higher employee satisfaction, increasing productivity, improvement in managing of all processes and, therefore, benefit in achieving strategic plans and impressive financial results.

Taking into consideration the influence of shareholders on business, companies should adhere to ethics fundamentals while managing the relationships with them. Strategic plans that are regularly checked by investors should be thoroughly prepared, fairly display company's position and probable path of development. Social responsibility towards shareholders usually comes to honesty and transparency, which are highly valued and rarely found in the corporate world.

However, in all times, the main focus of the company's strategic planning process remains on customers and their satisfaction in all dimensions. Social responsibility implies acting according to the ethical values shared by the target audience and the society at large, creating products and providing services aimed at improving the quality of life, when needs of the society comes first, and profits come after.

Company that managed to create and follow a strong code of ethic and understands it's social responsibility have significant chances to be recognized and create long-lasting relationships with the customers, employees and other stakeholders. Businesses with developed corporate ethics are more likely to meet strategic goals and exceed the results of strategic plans than a regular one.

Most businessmen admit that theoretical justification proves to be easier than practical implementation of ethical principles. Even some multinational companies with a powerful reputation in society encounter problems with certain marketing campaigns that lead to widescale public resonance. A case in point is Nestle, which used aggressive marketing methods to promote infant-formula in poor countries.

Company's strategic plans were oriented on global expansion, although no well-thought strategy was designed, and probable impact on society was ignored. Nestle distributed baby formula through the nursing network to poor mothers for free long enough to make them addictive to the product. Most of the families could not afford the high-prices of the infant-formula and were forced to feed their children with insufficient amount of the product. In addition, Nestle's formula has to be mixed with clear water that mothers could not get access to in their location. The consequences of the campaign were extremely damaging: child mortality increased five to ten times after introducing the formula on the market (Allain & Kean, 2008).

This situation showed the harmful effects of doing business without paying attention to probable causes. Development of company's strategic plan of expansion should have taken into account all the peculiarities of doing business in a new and unknown market. First of all, Nestle should have provided people with accurate information regarding the products and probable negative effects of the artificial milk.

It is a question of current interest worldwide, since most mass producers, especially in a food industry, gave promises and create an image of social responsible company meanwhile the products they offer point to the contrary, causing obesity, diabetes and heart disease at a global scale. Another great option for Nestle would be to cooperate with government and non-profitable organizations to make the market ready for introduction of their product by participating in the projects aimed at improving the quality of water and raising the level of child care education among mothers. This approach is costly, but proves that company practice social responsible business model concentrated on people and their well-being, not only claims to have it.

References

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