The Importance of Corporate Social Responsibility and Business Ethics

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ABSTRACT

Corporate social responsibility (CSR) and ethical behavior have come in front these years in both developed and developing countries to bring the effective results for the overall growth of any organizations. These two concepts bring important benefits to a business. This paper will highlight the basic concepts and how these two concepts works along with its importance and need in today's time for the organizational overall growth and success. As organizations know and accepted business ethics lead to positivity among the employees, customer and for public relations. As not everyone accepted them but also it will help to create overall image, loyalty, strong and healthier community relations which ensure of benefits and present themselves as corporate as well as socially responsible.

KEYWORDS: CSR, organizational growth, business ethics, socially responsible

INTRODUCTION

Corporate social responsibility is a need of business to be followed by every organization to behave as a good corporate responsible citizen, not only following all the laws but by conducting their activities in production as well as marketing in a way which can help everyone to avoids harmful environment which can cause pollution or exhausting finite world resources. Many companies started to behave in a more responsible manner towards society and moderately as their managers want to do so because of fear of consumer pressure and environmentalist and the media is all around which make them to behave so responsible to make their public image in a positive and acceptable manner. It is discussed that socially responsible behavior can pay off for future and it may involve some sacrifices in present to make long term benefits. Business ethics is more about following the guidelines to the business which is based on what is right and wrong and fair. It provides all details which make every business to follow to make some ethics and genuinely follow good ethics in their business processes. Businesses sometime get badly affected because of lack of ethics which create buzz among the employees, environment and overall growth of the business. Many times in organization employee get affected by their seniors and colleagues while making any business decisions and may feel pressurized to behave unethically while making profits. Therefore, recently over a year's many companies has adopted and developed code of conduct to be followed by the organization in order to make decisions by managers [1-7].

Corporate social responsibility and business ethical plays vital role in the organization and gives much benefitted to organizations. One should must adopt CSR and business ethics to get volume in the business and have some clear benefits from it as follows-

➢ Corporate social responsibility helps in improving public image as consumers make decision while purchasing or using anything and it is the time they look at you and your public image. You can make it in many ways like staff members and offering as hour a week at a charity, how brand is helping others, how they can give some satisfactory to consumers. Etc. Whereas, Business ethics help in defining how the company act within the company environment. This make in the organization to behave good towards other employees, customers and in the public and help in achieving overall public image and responsible towards inside and outside the organizations.

➢ Corporate social responsibility helps in increasing brand awareness and recognition if you are committed to business ethics practices as this will help in creating awareness by spreading news and therefore more people will hear about your brand which definitely create brand image among the market and consumers and drive them towards your products and services.

➢ Corporate social responsibility also helps in overall production cost and many simple changes like following business ethics, doing CSR will make you move towards sustainability thus using less packaging and help in decreasing the production costs.

➢ By accepting corporate social responsibility and business ethics you can take advantage over competitors as you can create yourself as a organization which can committed to follow CSR and business ethics to go one step further by considering social and environmental factors and making oneself from different to others competitors.

➢ Corporate social responsibility and following good business ethics will help in increasing customer engagement if you using sustainable systems. You can create all over social media about your brand advertisement and create a story out of every effort. And this sustainable change which is the demand of today's world make you more customer drive thus engagement.

➢ Corporate social responsibility and business ethics help in creating great employee engagement as employee always want to work and enjoy working for a company that has good image in public. You much likely to retain employee if you are following and giving human rights within the organization.

➢ Once you embrace corporate social responsibility and business ethics there will be more benefits to the employee as workplace will be more positive and productive and my endorsing things like volunteering can encourage personal and overall professional growth.

One can create ethical culture in organization in following ways: -

➢ Organization must ensure of having necessary tools and it is the responsibility of human resource department to ensure and provide all adequate tools which make them to behave ethically in the organization. HR professional can go with HR software where they can have furnished with good tools and help the employees to receive the same as per requirement.

➢ Organization must adopt and learn to strengthen the behaviour of an employee by offering awards and time to time recognition which will boost and encourage them to behave in more ethical ways in a way you want to reinforce in an employee. There must be constant communication about ethical values among the employee which help in creating strong ethical culture. Also highlight the behaviors which doesn't not want to be followed in an organization.

➢ Organization must focus on building skills by creating workshops which help in improving the ethical culture in an organization. It is the responsibility of companies to build and develop ethical skills among the members rather than just stating the behaviors. Also develop the problem solving skills to develop ethical behavior among the employees [4-10].

Characteristics of Business ethics
There are few characteristics of business ethics which are discussed below:

1. The base of business ethics is social value that is accepted generally on the norms of what is right and what is wrong practices.
2. Business ethics based on features, standards, traditions and social customs.
3. Business ethics might regulate the habits and resources for improved and best business performance.
4. Business ethics deliver simple guidelines and parameters towards maximum suitable perfections and business situations.

5. Business ethics is anxious about the study of human behaviour and managements.
6. Business ethics is a idea to regulate the values and standards to make common communications and behaviour between individual and group of an employee in organisation.
7. Business ethics provide guidelines and direction to be followed in an appropriate code of conducts in the business.
8. Business ethics based on the notions, views and values as contributed as well as generated by Indian philosophy.
9. Business ethics behave in both Art as well Science behavior.
10. Business ethics help in inspire the standards, value and pattern of professionalism in business for the benefit of customers.
11. Business ethics is to motivate and reliably related to the concept of service motives for the customer point of view.
12. Business ethics demonstrate the improved and viewpoint ways and means for most excellences in customization.
13. Business ethics goal to highlight more on corporate social responsibility of business towards society.

We can see how the business ethics plays an important role in various management functions as follows:

1. In Finance Function- Ethics in finance deals with many problems and damages in day to day financial transactions. Like data fudging in which business present fictional statement of accounts and other records which are open to enquiries. Now a day's ethics in financial transaction gained importance due to their inadequacy nations financial collapses. In the following ways finance ethics work-
   ➢ Must follow truth and authenticity in business transactions.
   ➢ Looking for fulfillment of mutual interests.
   ➢ Attainment the nations and financial units unrestricted from greed based methodologies.

2. Human resource management ethics- It have enforcement of the rights of an employee in an organization. Right to work and compensate the same, right for free association and participation, right for fair treatment in an organization, hold to right to work in dangerous free environment, right to raise voice against any wrong practices in an organization [8-10].

3. Marketing Ethics- It deals with number of issues like misinforming about the products and services to the customer, high prices for the products and services, creating false impression on the customer and about any products features, promoting sexual attitudes through ads which affect young generation and children.

In production ethics, it deals with the accountability of an organization to make sure that products and methods of production is not affecting damage to the environment. Like, avoid interpreting amenities or producing products that are dangerous to health. For example, tobacco and alcohol and maintaining ethical relations with the environment and avoid pollutions.

Advantages of Business Ethics

➢ It attracts the retention of good employees by providing ethical values at all level of an organization which is one talented individual is looking for to compensated fairly for their work and dedication. Business ethics provides equivalent benefit to everyone and also career advancement to be based on quality of the work not on favoritism. People want to join the high ethical values organization so that they get trustworthy environment and cultivate the teamwork, productivity and promote and support employee growth [13-16].

➢ Business ethics helps in gain investor loyalty as it's a process not an event. Investors looking for ethics, social responsible and reputation of the company in which they can trust and invest. Investors are aware of ethical environment which provides efficiency, productivity and profits from the ethical organizations.

➢ Business ethics drives to better marketing which tend to increase customer satisfaction at the end as it is important for organization to create awareness and have brand image to drive customers which can come from business ethics and corporate social responsibility.

➢ Business ethics help in avoiding all kind of legal problems. As organization who follows business ethics have less changes to go wrong and follow proper rules, law and regulation within the organization and also show code of conduct guidelines for every members of an organization which is must and need to be followed by everyone. Thus making themselves away from legal problems and create positive and healthy environment for the workers, customers and others within an organization. Companies who maintain highest ethical values take the time to train every employees of the organization to follow code of conduct that is expected to them as well [15-19].

Conclusion

Corporate social responsibility and business ethics plays important role in an organization. Both help the organization an ensure to create good brand image and meet the competitors as well. Recently, many organizations started adopting corporate social responsibility and business ethics in which they are not only expected to develop reliable products but also to charge fair price with fair profit margins and pay a genuine wage to an employee. Many organizations work on prosocial activities and share the information to their customers so that they can build image and relationship with them for a long run. Customers also looking for the companies who are sustainable, socially responsible and following business ethics and all these together can create trust among everyone. Corporate social responsibility and business ethics conducted good faith and beneficial to organizations and their stakeholders. Both of them together bring great results within the organizations as well outside the organization. Employee satisfaction is high in such organizations and brings 100 percent customer satisfaction. By doing and following CSR and business ethics is helping the weaker section of society by donating donations and helping employees when they are in need.

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