Different Aspects of Social Responsibility and Sustainability

Posted on September 11, 2018

Introduction

Corporate Social Responsibility (CSR) is termed as a business technique where the company tends to contribute toward sustained development by providing social, economic, and environmental benefits for the stakeholders. However, to provide a customer with the best product, it is important that the customer is socially satisfied with the product. According to a survey, sixty-one percent of consumers will purchase a product from a socially liable company or switch to other retailers if the quality and price of a product are equal.

The expense of a product is external, with the involvement of an investor's return on money. Social responsibility is a model of determinate corporate rules and policies designed to assist the workplace environment, individuals, community, and institute (Tai & Chuang, 2014). Therefore, social responsibility is all about efficient productivity and creativity of outputs.

Previous research has shown that the company's guarantee of becoming the leader in corporate social responsibility (CSR) often makes some charges against the company, which include child labor and environmental abuse (Tai & Chuang, 2014). The positive beliefs say that the consumer is not only linked with the higher purchase percentage but also with the long-term loyalty of consumers and their behaviors towards the company. A company's social responsibility is vital when measures are taken to overview the social capacity of a company. Consumers are most likely to buy a product if they think it is socially acceptable and will be loyal to it.

The most important aspect of CSR is engaging in social responsibility activities along with their business strategy (Tai & Chuang, 2014). A brand that engages its brand position on CSR, along with its business objective, is more likely to excel than a brand engaging solely in increasing corporate social responsibility. The strategic use of CSR focuses on the role of information and the way a company incorporates CSR into its product differentiation plan.

In the modern world, 80% of businesses use corporate social responsibility to improve their customer contentment. Consumers also purchase products based on a firm's social and environmental reputation. However, CSR is gaining more interest and producing more trends to attract customers. Business analysis shows that customer turnover increases with the implementation of CSR into activities. It becomes easy for a company to analyze itself when making annual reports and finding customer facts.

Key Challenges

The ambition to be successful in corporate sustainability has increased in recent years. To enhance this perspective, the knowledge, skills, and motivation needed to lead sustainability have been formed. Companies have made serious efforts to maintain their business models, redefine their core business processes, and make new strategic decisions. This helps in social and environmental sustainability. However, this progress varies across regions, sectors, and national levels.

The global challenge that business leaders face is making people aware of social issues, which becomes more viable (Tai & Chuang, 2014). The ways business professionals react to moral values help enhance ethical business. Ethical leadership is important for a businessperson, as it helps improve the sustainability of social goals and turns out to be a tool for effective moral values.

Strategies and Recommendations

CSR is becoming to be a moral responsibility, as well as a positive factor in financial development. Most companies nowadays are reacting to the social and environmental demands of consumers. CSR factors have changed in the course of time, as have the corporate programs in the market. A firm's social obligations are based on the purchases made based on CSR performance, recycling methods, and the production reaction to the environment. It is also important for a company to grow its social standards to a global application. In this context, the company may choose to trade in any country.

Business Ethics

Ethics in a business environment are made by ethical leadership. It is also associated with a global economy's consistent growth and development (Perry, Wood & Fernie, 2015). Ethics observed by business leaders are closely analyzed by the public, media, shareholders, and stakeholders. In any type of industry, the basic relationship between a company and a consumer relies on trust. If a company does not observe ethical practices, consumers will relatively trust them less, which leads to lower consumer satisfaction (Perry, Wood & Fernie, 2015). When there is no satisfaction, trust does not exist. Ultimately, lower satisfaction and trust lead to the failure of a business. Poor ethical decisions also lead to less trust from the company's shareholders and the organization's employees.

Many types of research in the past have discussed the ways to develop ethical behaviors under which corporate leaders can work and build consumer trust accordingly. Ethical behaviors tell about how the company operates in an ethical environment and why it was formed in such an environment. Due to a company's lack of ethical beliefs, it mostly loses customers and has to regain them by forming new strategies.

Ethics in business is a long-term concern for researchers and business leaders, but the basic concern may vary with time (Kolk, 2016). The mindset of business ethics is also different across industries, cultures, and decision-making operations. Consumers behave on the priority of their own ethical values, before shopping a product and committing to it (Quarshie, Salmi & Leuschner, 2016). Business leaders' values impact the firm's culture, and they establish ethics in their leadership roles. Business ethical values could have a positive or negative impact on the company and even help consumers buy the right products and services. In this regard, the code of ethics and practical ethical values are the organizational ethics tools, which play a vital role in the concept of business ethics.

In research, 6000 employees of 263 companies were analyzed. The study portrayed high levels of internal ethical values, and collective commitment, which helped in organizational citizenship (Quarshie, Salmi & Leuschner, 2016). Multiple factors are involved in the use of ethical codes and the impact of these practices.

Comparative Analysis

Practically, differences in the choice of laws and their training can make cultural differences in the business code of ethics. It can vary across countries with their own business and public laws. According to a survey in Canada, 131 companies were sampled, and the result was that 45% of the companies either did not have any code of ethics or didn't make the code public (Hartman, DesJardins & MacDonald, 2014). According to another study, present generations employees violate more ethics, than the previous generations (Hartman, DesJardins & MacDonald, 2014). This type of behavior can lead to more violations of ethics, and it can also help an organization create a group to diminish this effect. There is also a possibility that people in the same industries, like financial and accounting experts, may observe a higher level of ethics than the other industries. Therefore, in the business environment, the code of ethics is to be analyzed according to the instructions set by the company. They need to take measures so that it does not deviate to the lighter side of the economic disorder.

References

Hartman, L. P., DesJardins, J. R., & MacDonald, C. (2014). *Business ethics: Decision making for personal integrity and social responsibility*. New York: McGraw-Hill.

Kolk, A. (2016). The social responsibility of international business: From ethics and the environment to CSR and sustainable development. *Journal of World Business*, *51*(1), 23-34.

Perry, P., Wood, S., & Fernie, J. (2015). Corporate social responsibility in garment sourcing networks: Factory management perspectives on ethical trade in Sri Lanka. *Journal of Business Ethics*, *130*(3), 737-752.

Quarshie, A. M., Salmi, A., & Leuschner, R. (2016). Sustainability and corporate social responsibility in supply chains: The state of research in supply chain management and business ethics journals. *Journal of Purchasing and Supply Management*, *22*(2), 82-97.

Tai, F. M., & Chuang, S. H. (2014). Corporate social responsibility. *Ibusiness*, *6*(03), 117.