



## Responsibility of Business Towards Society

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**Abstract:** *Accrding to Earnest Dale, it is the duty of business to provide a fair return to the shareholders, fair working conditions to the employess, fair deal to the suppliers and customers and to make the business an asset to teh local commumunity and the local community and the nation.*

**Key Words:** Earnest Dale, business, provide, shareholders, conditions, employess, suppliers, community.

**1. Owners of Business-** Management must provide fair, adequate and stable long-run rate of return and steady capital appreciation to the local sjareholders for their investments. It must also provide to them regular, accurate and up-to date information about the the working or the company . Maximum disclosure about the progress and achievements of the company is very satisfying to the shareholders. It must ensure planned growth, solvency of the business and optimum utilisation of the resources of the business.

**2. Employees-** Employess need security of jobs, higher wages, full employment, better conditions of work, opportunities for self-development and promotion, They want to unite and form their trade unions to achieve rights and to seek protection against highhandedness of the management, They also desire their work itself to be rewarding. Management, as a part of its social responsibilities, is expected to provide for their social security, weelfare, grievances settlement machinery and sharing of excess profits.

Management should serve as a model emoloyer, A model emoloyer is one who does not exploit his employees. As a model employer, the management should provide stable employment, adeqate wages, good and safe working conditions, job satisfaction and opportunities for delf-development. Healty trade union practices may be encouraged. Employees may be considered as partners in busuness, since their interests in business is not very much different form the interests of the

shareholders. They may beallowed to participate in the decision-making process at all levels of management. A feeling of fellowship and a sense of belonging to the company as a whole should be allowed to grow.

**3. Consumers-** In the words of Henry Ford, management must provide those goods and services which the society needs at a price which the society can afford to pay. prices. It should develop a liberal and fair attitude good quality products to the consumers at reasonable prices. It must maintain regular supply of high quality products and provide services to the consumers.

Managers must meet the needs of the consumers of different classes, tastes and with different purching powers at the right time, place, and in right time, place, and in right quality. A businessman should act as a friend and guide to the consumer. It is his duty to protect consumers' interest at any cost. He must guard against adulteration, poor quality, lack of service to the consumer, misleading and dishonest advertiments, under-weighting, supply of sate goods etc. He must handle the complaints of the consumers carefully and efficiently. The concept of social responsibility of private business may be new to the western world, but in India it is not so. Gandhiji reminded us of these values when he propounded the theory of trusteeship, The rich businessman should that he is the trustee for all the wealth which he has collected from the members of the society. So the entrepreneur has to struke a belace between profit and social good.



The concept of social responsibility of business was first mooted by President Wilson in USA as early as 1913 as a measure of the "New Democracy He gave a new shape to the manners and morals of business through the Chamber of Commerce self-discipline by the business community.

Social issues with business corporations have been concerned since the 60s may be divided into three categories: The first of these refers to social problems external to the corporation which were not caused by any direct business action. poverty, drug abuses, decay of the cities are examples of regular economic activities. Pollution by production is a case in point. The quality, safety, reliability of goods and services, deception from marketing practices, the social impact of plant closings and plant location belong to this category. The final category of issues occurs within the firm and is tied up with regular economic activities. Equal employment opportunity, occupational health and safety, the quality of work life and industrial democracy belong to this category.

The second and third categories are of increasing importance and are tied up with the regular economic operations of business. Improved social performance demands changes in these operations.

**Economic Objectives-** The first objective of business is economic in nature. "Management is that activity whereby economic forces (land, labour and capital) are utilised in combination, always with a view to profits of one kind or another". In the words of Frucker, it is the purpose, nature and necessity of this institution to take risks, to create risks. " Unless we provide for risk, we are going to destroy capacity to produce. And therefore, a minimum primum profitability, adequate to the risks which by necessity, assume and create, is an absolute of survival not only for the enterprise but for society."

Profits are the reward for which a business enterprise is brought into being. No one will take

the risks involved unless he is assured of adequate returns. Once a business is started, the profits must continue to accrue if the business is to continue. A business may bear losses provided there are chances of being compensated by adequate profits in the long run.

Apart from meeting the costs of being and continuing to be in business, profits serve two other purposes. They ensure the supply of future capital for expansion either through retained earnings or providing inducement to new outside capital. Profit is also an ultimate is, the greater the profit it earns. Social Objectives

Urwick has rightly observed that profit can no longer be an objective of business then eating the objective of living. Although profit is one of the major objectives of business, it does not mean that there is no limit to the profit which the firm can make. Profit should be distinguished from profiteering. Limitation on the profit motive arises from the fact that business does not thrive in a vacuum. It exists in society. Even in a free enterprise system, individual business may be restricted by social pressure, political action and legislative interference. A business organisation may be compelled to maintain the quality of its product, charge a prescribed price from its customers or pay a living wage to its employees. It may also be prevented from earning profits beyond a fixed ceiling. So good business keeps before itself some social objectives such as those of producing articles of good quality, charging reasonable prices, adopting fair labour practices and so on. Society is based on some ethical principles and makes some promises to its members. Business has to conform to these beliefs and promises.

It must not behave in a manner which is not conducive to the stability of society of society. On the hand, business should aim at positively contributing to the well-being and uplift of the community in which it is situated. This it does by participating by participating in the welfare activities



of the surrounding area such as running of schools, libraries, hospitals, organising sports, providing entertaining area such as running. This it does by participating in the welfare activities of the surrounding area such as running of schools, libraries, libraries, hospitng sports, providing the attainment of valued social goals like a high standard of living, economic progress, econmic stabiliy, personal and national security.

It is a fact that hte concept of social responsibility of business has received public attention in india in recent times. Some enlightened companies TISCO have focused on social responsibility and roposed social audit. But the following facts show that social responsibility is at

a low pitch in India.

#### REFERENCES

1. A large section of business firms are inspired solely by the profit motive to the complete neglect of social good.
2. Tex evasion is widespread. Many firms maintiain duplicate books of account.
3. Essential commodities like baby food, kerosene, cement etc. are frequently hoarded and aritificial scarcity is created by dishonest nusinessmen for making abonomal profit.
4. Adulteration is rampant, particularly in respect of food articles.

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