

The Symbiosis between Business Moral and Corporate Social Responsibility: How Far, How Fast?

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ARTICLE INFO

Article history:

Received: 22/02/2019

Accepted: 28/09/2019

Online: 15/12/2019

Keywords:

Corporate Social

Responsibility

Organization

Ethics

JEL Code : M14, D21,

E71, L21,

ABSTRACT

The concept of social responsibility of the business organization occupies an outstanding position among thinkers and researchers, and the discussion of this issue has not reached a common consensus yet. Therefore, the protagonists of the corporate social responsibility emphasize the role that the organizations should play in enhancing the societal paradigm in the organization practices. By this sense, the social responsibility is of great importance to society, this fact is due to the interdependence between society and organization on one hand, and that the success of the organizations is linked fundamentally to the respect of the society scope on the other.

1. Introduction

The corporate social responsibility is an astounding and thrilling subject to deal with in the management of the organizations. This position is gained by the fact that all the organization without exception are surrounded by an environment comprising various and complicated variables and accordingly, the success or the failure of any institution depends heavily on how far the environmental issues are taken into consideration. It is by then a new and an effective conception towards the true respect of the environment at the first stage; and at the second it is basically important to think about how to cope with the environmental issue in favor of the organization aspirations.

2. Corporate Social Responsibility

The concept of social responsibility appeared the first half of the 20th century which advocates that the enterprises could play a pivotal role in protecting environment and respecting the societal conducts and not only looking for profits. Since that period, the interests arouse around the effective contribution of the organization toward its holistic environment in corollary with its basic economic objective.

In this context, Drucker (1977) defined social responsibility as “the commitment of the institution to the direction of the society in which it operates.” This definition constitutes the cornerstone of subsequent studies that tackled the interrelationship between organization and society through different angles. According to the International Labor Office, the corporate social responsibility is a way in which the enterprises consider the impact of their operations in society and confirm their principles and values in their internal processes and interactions with the other sectors. On the other hand, the World Business Council for Sustainable Development defined social responsibility as “the continued commitment of businesses to act ethically, to contribute to economic development and to improve the quality of living conditions of the workforce and their families as well as the local community and society as a whole” (Abigail McWilliams et al, 2000, p-p 603-609; Judith Hennigfeld et al, 2006, p-p 135-137)

In addition to this, the World Bank also depicted the concept of corporate social responsibility as “the respect of

business owners to participate actively to sustainable development by sharing the common interests with their employees, their families and the community in an attempt to advance people's living standards in such a way that assists both trade and development". The International Chamber of Commerce in its turn has defined the social responsibility as "all kinds of efforts striving for the development of companies according to the ethical and social concerns, and according to this, the social responsibility relies upon the good initiatives of businessmen without the existence of legally binding procedures". From this definition, the social responsibility is therefore realized through persuaded and responsible conduct (Guler Aras et al, 2010, p-p. 67-69, Mostéfaoui Sofiane et al, 2017, p-p.5-6-7)

In this context, the social responsibility is illustrated through via its dimensions according to the following assumptions: (David Crowther et al, 2008, p-p 235-236; Philip Kotler et al, 2005, p 174; Christina Keinert, 2008, p 265)

A. In relation to the advocates of economic theory, which believes that business enterprises have one responsibility to maximize profit, social responsibility is to do business programs and activities that lead to the achievement of social goals that integrate with economic objectives.

B. The refinement of the behavior linkage between economic agents and their businesses regarding their self-interest. According to this paradigm, the social responsibility is a new way of the self-interest commitment towards the other stakeholders of the business scope like: the employees, suppliers, distributors, competitors and customers.

C. According to the practice of the social responsibility, CSR is an organized package of intentional (social) or legal obligations that are consistent with the rules and requirements of the environment and its stakeholders.

D. According to the to the management ethics framework, the social responsibility is the respect of the ethical requirements to confirm that businesses fulfill the law, standards and social values.

In sum, the corporate social responsibility denotes that the organizational behavior is responsible and social toward all the stakeholders. In this sense, the concept of responsibility as a key component of the CSR of the private sector is also considered with the periodic reports of corporate social responsibility tool of these companies which are seeking to reassure stakeholders' fidelity within the organization.

2.1. Social Responsibility Interests:

Reasons for interest in social responsibility are twofold: (John D. Martin et al, 2009)

A. Total facets: embodies the total variables, including the following

- Disasters and moral humiliations: as an example of this, the emanating harsh consequences of the global warming, the disaster of the plants in Bhopal, India killing more than 6000 people, in addition to the scandalous bribery of international companies and violations against humanity.
- Public, government and international pressure: It is highlighted through legislation calling for consumer protection, environment, work, security and the positive role of organizations in the realization of human rights.
- Technological development: Technological development or revolution has generated many technical fields and operational movements, this situation provided the suitable setting that cares for the quality of products and processes and the advancement of the staff skills.

B - The partial facets: this set includes the micro-organizational variables like the following:

- Changing organizational objective: in this context, the organization is required to align its goals towards the favor of the community and to strive for seeking the social needs.
- Changing the role of management: Management is no longer responsible for fulfilling the desires and interests of only one category, owners and shareholders, but it is responsible for achieving the continuous balance between the interests of many related groups such as clients, public opinion, unions and financiers.

3. Types of Corporate Social Responsibility

It can be noted that two opposing views formed two contradictory patterns in the managerial understanding of the social responsibility: (Archie B. Carroll, 1991, p-p 39-48; Milton Friedman, 1970, p-p 122-126; Pinkston TS et al, 1996, p-p199-206; Reidenbach RE et al, 1991, p-p 273-284; Sarre R et al, 2001, p-p 300-317)

A – The first type: Economic Responsibility

The core of this type is that the businesses must emphasize on the objective of increasing profit, regardless of any social contribution, and that the social contributions are no more than intermediate drivers for maximizing profits. The most noticeable proponent of this pattern is the American economist, Nobel laureate Milton Friedman, who points out that managers are professionals and not owners of the businesses they manage, so they represent the interests of the owners and on this basis their task is to do their jobs in the best possible way to achieve the greatest profits for the owners. If they decide to spend money on social goals, they will weaken the dynamics of the market and therefore the profits will be reduced as a result of this spending on the social aspects and this leads to the loss of owners. If the prices were raised to compensate for what is spent on the social side, consumers will also lose and if they refrain from buying, these products sales will decline and therefore the organization deteriorates.

B - The second type: Social Responsibility

This pattern is quite the opposite of the first type and attempts to represent the enterprises as social units to a large extent, putting society and its requirements in view of all its decisions. Green Peace groups or other groups that represent themselves as pure social parties may show this pattern and urge enterprises to adopt it. In contrast, organizations find it difficult to balance the requirements of their economic performance and further commitments in this social direction, both at the internal and external levels.

C - The third type: Socio-economic Responsibility

It is the most balanced pattern where it is believed that time has changed and that the management of enterprises does not represent the interests of one side - the owners - but there are many other bodies such as the government and the community with which certain commitments are made. One of the most important ideas supporting this trend is that the expansion of privatizations has led businesses to assume their responsibility in delivering what governments have done to societies and the environment.

If, for the developed world, it is a normal condition for the maturity and management of enterprises, the problem occurs heavily in the developing world. The subject is represented by the fact that the first type represents private sector enterprises that are only more profitable, even at the expense of the interest of the rest of the parties. Therefore, the second type can be seen as a reaction by the government, which is the main controlling factor in the Third World, where the organizations are represented as social units aimed at providing more services to the society, even at the expense of their economic performance and efficiency.

In the light of this type, a convergence of views emerged through the third (balanced) type as a representative of a more realistic case of performance at the economic and social levels.

4. Elements of Social Responsibility

The follow-up of the literature on social responsibility indicates that researchers have identified a large number of elements that constitute the content of social responsibility, but they differ in the order of priorities of these elements where differences have emerged according to the study of environment, and according to the time and nature of the industry in question. In aggregate, the following are the elements that can be adopted as indicators of social responsibility content: (Carroll AB, 1984, p-p 125-140; McMahon TF C.S.V, 1999, p-p 101-111; Morsing M, 2005, p-p 84-88; Drucker PF, 1984, p-p 53-63; Fisher J, 2004, p-p : 391-400; Harding R, 2005, p-p 71-73; Jones MT, 1999, p-p 163-179; Logsdon JM, 1997, p-p 1213-1226; McLachlan J et al, 2004, p-p 11-25)

A – Owners:

The owners tend to make the biggest possible profit, maximizing the value of the share and the establishment as a whole, draw a respectable image of the organization in its environment and protecting the assets of the establishment as well as increasing the sales volume.

B- Staff:

The organizational staff is much occupied by the following tasks: payable salaries and wages, Opportunities for advancement and promotion, Continuous training and development, Functional justice, appropriate working conditions, Health Care, Paid holidays, Housing and transportation of workers.

C- Customers: The intentions of the customers are the following

Good quality products, Suitable prices, High quality and affordable access, sincere declaration about safe products when used, Instructions on the use of the product and its disposal or residues after exploitation.

D- Competitors: The competitors' issues revolve around Fair competition, Clear information and not to withdraw the employees from the others by unfair means.

C- Suppliers:

The suppliers are interested by the continuity in processing, the fair and acceptable prices, the development of the use of processed materials, the participation in dealing, the payment of financial obligations and honesty in different transactions.

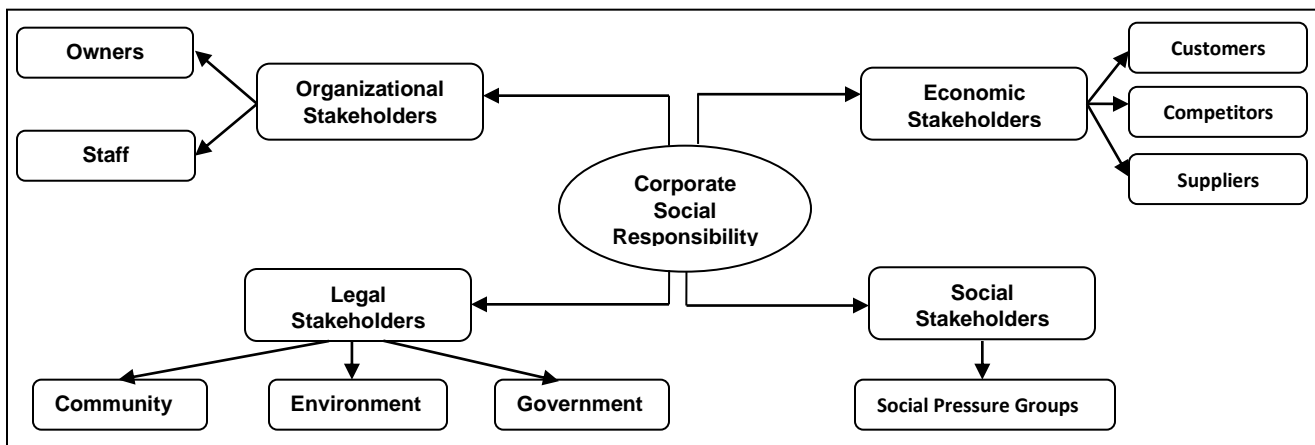
D- Community: the community serves in supporting the infrastructure, the employment of disabled persons, the creating new jobs, supporting the social activities, the contribution to emergency and disaster situations, the respect for customs and traditions, the honesty in dealing and providing the correct information.

E- Environment: The aspects of the environment impact are pinpointed through the reduction of pollution of water, air and soil, the maintenance and the development of different resources, the optimal and the equitable use of resources, especially non-renewable ones, the afforestation and the increase of green areas.

G- Government: The impacts of the government in enhancing the spirit of corporate social responsibility are represented by the adherence to legislation, laws and the different issued directives, the respect for equal opportunities in employment, the payment of tax liabilities and other fees and non-evasion, the contribution to exchange on research and development, the contribution in solving the social problems such as the decrease of the unemployment rate, the assistance in rehabilitation and training.

H- Social pressure groups: The social groups contributes in establishing a fair ground for corporate social responsibility through the good dealing with consumer protection associations, the respect of the activities undertaken by the environmental protection groups, the respect for the role of high unions and good dealing with them.

Figure 1: The Interactions of the Corporate Social Responsibility Stakeholders



Source: Adapted by the researchers

5. The Managerial Aspects of Corporate Social Responsibility

How the organization responds to CSR is usually defined as the social response of the institution or project. In fact, this response varies from one organization to another depending on a number of factors, but we can predict that response between low and high responsibilities is portrayed in four main entrances: (Sridhar BS, 1993, p-p 727-739; Van Marrewijk M, 2003; Wulfson M, 2001, p-p 95-105; Eyring A et al, 1998, p-p 245-251; Graafland JJ et al, 2003, p-p 45-60)

A. The Pure Business Management: such a management does not reject the commitment of the organization to the responsibility towards society and according to this; the rejection of the unethical acts is not a priority. It focuses only on collection of returns at all costs, and the adoption of the prohibited goods is a blatant example of that approach.

B. The Discretionary Management: Such a management makes the organization complies with the rules imposed by the laws and no more. It considers the business organization to have revenue and profits and nothing else.

C. The Sympathetic Management: Such a management shall carry out the organization to comply with the requirements of the laws.

D. The Effective Management: Such a management stands with the organization on the high positive social response to all requirements of social responsibility, and all parties concerned with the organization to contribute through its organization in the service and the development of the society. It views the organization as a good citizen of its society.

6. The Sources of Ethical Values in Organization

Standards of ethical conduct are embodied within the users as well as within the organization itself. In addition, external stakeholders can influence the standards for what is ethical. Thus, there is a strong set of administrative ethics. Daft sets out a set of elements that shape administrative ethics: (Agocs C, 1997, p-p 917-931; Angelidis J et al, 2004, p-p 119-128; Bowen SA, 2004, p-p 311-321, Mostéfaoui Sofiane et al, 2016, p-p 170-171-172)

A. The Personal Ethics: Everyone brings a set of personal beliefs and values to work. Personal values and ethical conclusions turn these values into behavior in important areas of decision-making in the organization. The family background and spiritual values of managers provide the principles through which the work is carried out.

B. The Culture of the Organization: ethical and immoral business practices can contribute fully to individual personal ethics because business practices reflect values, attitudes, and behavior patterns of the organization's culture. To promote ethical behavior in the workplace, the organization must make ethics an integral part of the organization's culture. The organization's culture generally begins with a founder or leader who demonstrates and fulfills certain ideas and values. The leader or director of the organization is responsible for creating and supporting a culture that emphasizes the importance of ethical behavior and social responsibility in the organization.

C. The Ethical Systems: it means the official systems of the Organization. The organization's infrastructure includes: ethical values integrated into policies and laws, and the code of implicit ethics which is available to workers.

D. The External stakeholders: Management ethics are also affected by a number of external stakeholders and the groups outside the organization that influence their performance. When making ethical decisions, the organization recognizes that it is part of a large society and takes into account the impact of its decisions and actions on all stakeholders. And that the most important stakeholders are government agencies, customers, and special interest groups who have an interest in the natural environment and global market forces.

7. The Ethical Aspects in the Business World

Capitalism is not necessarily immoral. The issue of its profit stereotype, privatization, and market law necessarily involves moral transgressions or do not take ethics into account require strategic review. There are many practices and situations to seek profit at all costs and free economic action (Boyd C, 1996, p-p 167-182; Broadhurst AI, 2000, p-p 86-98; Campbell L et al, 1999, p-p 375-383)

In a system of community work, the legislation and public opinion development as well as the ethical rules can be an investment in itself that increases confidence in the products, goods and services provided by companies.

Laws and legislations no matter how they are judged, they do not protect societies and rights and do not provide security and trust alone, but when they work in an ethical environment, they achieve high efficiency in development and reform. Ethics often has more realistic and intellectual powers than physical one.

The interests that govern the relations of production and protection may also establish an ethical system of work, belonging, solidarity, care and balance between rights and duties. For the sake of success and achievement of our near and far-reaching interests, we must organize legal, political and moral contexts. To cancel one of these other contexts, each system has its own domain, and have a self-interaction and spontaneous and organized to pay attention to.

Peter Eigen, president and founder of Transparency International Organization, noted after a long working experience at the World Bank that combating corruption by working to establish and promote a system of economic action that regulates itself on the basis of integrity and combating corruption without interference and governmental and international monitoring is the most success and effectiveness.

Today, a view is made that the world community needs the private sector after it has been proven that governments are unable to deal with corruption. Therefore, the major economic institutions in particular need programs of action stemming from social responsibility.

One of the principles and ideas proposed by institutions working in the fight against corruption is that each economic institution in its regulations and codes should establish an obligation to prevent direct or indirect corruption and introduce and implement anti-corruption programs. This means that morality is not a marginal issue but the economy, is an essential component of markets, organizations and trade as well as economic relations.

8. The Social Responsibility and the Management Ethics

There is no doubt that there is a strong relationship between social responsibility and management ethics; and this relationship more often leads to the linkage and overlap between the two as talking about one of them is linked explicitly or implicitly to the other. Modern management literature also includes a typical chapter with a common theme: social responsibility and management ethics. How can we define the relationship between them? Is it a matching relationship (that is, all that falls within the social responsibility of the company is the ethics of management and vice versa) or is the relationship of integration or otherwise? (Coffey BS et al, 1998, p-p 1595-1603; Crane A, 1999, p-p 237-248; Desai AB et al, 1997, p-p 791-800; Gauthier C, 2005, p-p 199-206)

At the outset, it must be focused that ethics were the first approach of individuals in dealing with societal criteria. This ethical tendency was the pillar of the corporate social paradigm and it still constitutes the essence of this conduct. (Hill RP et al, 2003, p-p 339-364)

Although social responsibility holds a moral dimension, covering a wide array of considerations and practices than it was in the 1960s. From the analysis, it is possible to come to the important conclusion that the concept of social responsibility is the outcome of progressive self-interest and not a direct product of an ethos-social vision in the original. It is the result of an economic model based on efficiency, i.e. maximizing profit.

It is emerged that the one facet (efficiency only) with its negative results on the other parties and society would be more sacrificing for the company than the economic-social paradigm relied upon the multidimensional and balanced vision between economic and social considerations. It is therefore possible to say that the appearance and the expansion of the concept of social responsibility is linked to the economic model per se; which is no longer able in its old forms to be arranged with the development of new concepts and practices and turned into a pattern of enlightened and more balanced self-interest.

9. Conclusion

In sum, we can say the corporate social responsibility is basic requirements for the organizations to survive and being in a rational harmony with the societal considerations. It is by then a refinement of agents' rationality paradigm on one hand; and a wisely organizational behavior with clairvoyant economic agents on the other. In this context, many dimensions are embodied to establish the practical dimensions of the social responsibility. The ethics for instance is an iconic consideration allowing the economic agents to behave according to the societal needs and the environmental customs.

Acknowledgment

The researchers address their warmth and heartfelt thanks to the Spatial and entrepreneurial development studies laboratory for the support to accomplish the work.

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