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## **MANAGEMENT AND SOCIETY-TOWARDS SOCIAL RESPONSIBILITY**

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### **Abstract**

Management is what manager does. Management in its increasing responsibility cannot neglect in social responsibility. There in various views of social responsibility, and at the same time various forces towards social responsibility.

### **Meaning**

The phrase social responsibility is widely used in the literature of sociology, anthropology, economics politics business management. However, conceptually as well as in practice also, it has been a volatile, vague confused area. Conceptually, people are not clear what is the exact meaning of social responsibility and what they are expected to do under this. Most business managers prefer words other than social responsibility because these words do not have a common obligation. They prefer such synonyms as social concern, social programmes, social challenge social commitment or concern with public problem. However the term social responsibility has been widely recognised and its operational definition may be as follows: social responsibility content that management is responsible to the organization itself and to all the interest groups with which it interacts. Other interest groups such as workers, customers, creditors, suppliers, government and society in general and place essentially equal with shareholders, social responsibility is nebulous idea and hence is defined in various ways. Adolph Berle<sup>1</sup> has defined social responsibility as the manager's responsiveness to public consensus. These would be determined in each case by the customs, religions, traditions, level of industrialization and a host of other norms and standards about which there is a public consensus at given time in given society.

According to Keith Davis<sup>2</sup>, the term social responsibility refers to two types of business obligation, viz :

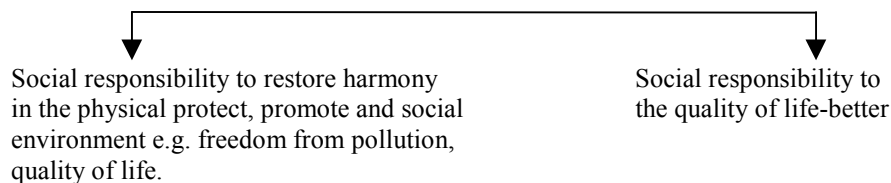
(a) the socio-economic obligation, and (b) the socio-human obligation.

The socio-economic obligation of every business is to see that the economic consequences of its actions do not adversely affect public welfare. This includes obligation to promote employment opportunities, to maintain competition, to curb inflation etc. The socio-human obligation of every business is to nurture and develop human resources, (such as morale, cooperation, motivation and self-realization in work.

On the basis of this definition we can say:

- a) The social responsibility contains three types of behavior-positive, neutral and negative. The negative and neutral aspects of behavior are as important as positive.
- b) Social responsibility fulfilling obligation to various parties concerned with the functioning of an organization. Some of these parties are concerned directly. Other may be concerned in indirectly.

#### Dual Area of Social Action



#### **Forces inducing social responsibility**

A company is no longer an engine for profiteering, capital creation and business expansion. Today, it is a vital nationally important, social economic institution –called upon to assume larger responsibility.

The forces that are responsible for recognise and honor the new social responsibility

1. The pressure of organized labour.
2. Recognition of human element in industry.
3. Growing public opinion about the quality of life and the need to remove all types of pollution.
4. Increasing participation of labour and other interest in the decision making process.
5. The development of consumerism insisting the protection of consumer in the market place.
6. Democratic management welcomes all interested parties to share in the fruits of properly equitable.

#### **Different Ethical view on social responsibility**

There are four ethical views on social responsibility of management. There are:

##### **Communist view**

This view advocates the imposition of social responsibilities of business through the ( instrumentality st of state. Communist hold that free industrial

civilization is not good because its values are of the wrong order. According to this view, business is evil. Because of the immorality of the standard, this view advocates an imposition of social responsibilities through legislation or free.

### **Capitalist view**

This view holds the view that business decisions have an uncontrolled right to make many free from all sorts of social responsibilities. It is argued that by maximizing its profit objects, business gratifies in personal “(desires and at the same time the need of society. Therefore, business should not have any responsibility beyond obeying certain legal codes in achieving its goal. Milton Friedman<sup>3</sup>, who won the Nobel Prize in 1976, holds the view that business should go on with business of producing goods and services efficiently and leave the solution of social problems in government and concerned individuals. In short, managers should focus on what they know best: how to make profit.

### **Pragmatic view**

This view acknowledges the importance of profit but simultaneously stresses the need of social responsibility. It holds that a company can not make a social contribution if it is not profitable. Hence, to make the company profitable is the first responsibility of managers; after that, they must voluntarily assume social responsibilities.

### **Trusteeship view**

The trusteeship slogan is to enjoy the wealth by renouncing it. The idea of trusteeship has its origin in the Gita teachings of “aparigraha” (non-possession) and “Sambhawa” (equality) which had taken a stronghold of Gandhi’s mind. In a sense, then, all men are trustees, for every man is required to use his possessions for the welfare of all. The view demands radical change in attitude, system, and methods.

### **How to discharge its responsibility**

Self-education through a free, vigorous, and fit press; local get-together of representatives of business, shareholders, workers, and other legislation; Encouraging internal accountability by making a mention of these responsibilities in the company’s memorandum; Establishing consumer’s advisory councils; Providing for Social audit

Supporting education, slum-clearance and similar other programmes.

Social responsibility discharge is not a one-way traffic. In order to discharge his duties by a business enterprise, it is necessary that others must also discharge their social responsibilities. In this respect, social audit is a true measure for the evaluation of the organization’s social performance, which is distinguished from its economic performance. Social audit determines only what an organization is doing in social areas and not the amount of social goods that result from these activities.

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**References**

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2. Keith Davis, "The meaning and scope social responsibility" in Joseph w. McGuire, ed *contemporary management: issues and view points*
3. Milton Friedman, "The social responsibility of business to increase its profit", *New York Times Magazine*, sep13, 1970

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