

## SOCIAL RESPONSIBILITY

For most of the business organisations, social responsibility is a way of life. Social responsibility refers to the process which includes several activities ranging from providing safe products and services to giving a portion of the company's profits to welfare organisations with a philanthropic perspective.

Social responsibility of a business is also viewed as conducting its operations in a *free and fair manner* by discharging its commitment towards different segments of its operational environment such as shareholders, consumers, employees, creditors, Government, competitors, and the general public as explained below:

- (a) Responsibility towards shareholders The business enterprise has the responsibility to provide a fair return on capital to the shareholders. The firm must provide them regular, accurate, and full information about the working of the enterprise in order to fulfill and encourage their interest in the affairs of the company.
- (b) Responsibility towards consumers The management has to provide quality products and services to the customers at reasonable prices. It should consider customer-suggestions and also plan its services more effectively through consumer satisfaction surveys, which focus on unfulfilled customer expectations.
- (c) Responsibility towards employees Good working conditions motivate workers to contribute their best. It is the responsibility of the management to recognise their unions and respect their right to associate with a union of their choice. The management has to provide a fair deal to its employees by planning for social security, profit sharing, growth and development promotions, grievance settlement machinery, and employee welfare.
- (d) Social responsibility towards creditors The business has to repay the loans it has taken from the financial institutions as per the repayment schedule. Also, it should inform the creditors about the developments in the company from time to time. The business firm has to live up to the ethical and moral expectations of its creditors by fulfilling its commitments.
- (e) Responsibility towards the Government The business firm has to pay its taxes and be fair in its endeavours. It should also support the Government in community development projects.
- (f) Responsibility towards competitors The business firm should always maintain the highest ethical standards and maintain cordial relations with each of the competitors, which is a critical and sensitive segment.
- (g) Responsibility towards general public Business units have tremendous responsibility towards the general public to support the cause of community development. Most of the companies maintain public relations departments exclusively to maintain good relations with the community.

### Example

#### Social Responsibility of Business: Infosys Foundation

To support and encourage the underprivileged sections of the society and philanthropy, Infosys Technologies Ltd., created Infosys Foundation. The Foundation provides medical facilities to remote rural areas, organises novel pension schemes and extends aid to orphans and street children. It has undertaken a large rural education programme and, as a part of this, 5500 libraries have been set up in government schools spread across many villages. Its other activities include the reconstruction of old school buildings, setting up of Science Centers in rural areas and schemes to provide support to traditional art and culture forms, otherwise ignored.