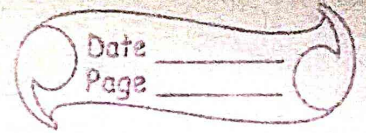


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Ques-6 Elucidate the meaning and significance of Social Responsibility in today's era. Explain the Social Responsibility of business and business-man with special reference to India.

Ans-6 Social responsibility means that businesses, in addition to maximizing Shareholder Value, must act in a manner that benefits Society. Social activity and responsibility has become increasingly important to investors and consumers who seek investments that are not just profitable but also contribute to welfare of Society and the environment.

In today's era like in time of Pandemic and lockdown, it will take years to recover from economic pain and fully assess the psychological impact of lockdowns, pandemic-related loss of life and social unrest. Various business have faced lot loss but still have not lost hope they are still doing their social responsibilities to take care of their employees.

★ Social Responsibility of business and Business-man.



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(i) Justification for existence and growth:-

Business exists for providing goods and services to satisfy human needs. Though, profit motive is an important justification for undertaking business activity, it should be looked upon as an outcome of service to the people. Thus, assumption of social responsibility by business provides justifications for its existence and growth.

(ii) Long term interest of firm:-

A firm and its image stands to gain maximum profits in the long run when it has its highest goal as 'Service to Society'.

(iii) Avoidance of government regulation:-

from the point of view of business, government regulations are undesirable because they limit freedom. Therefore, it is believed that businessmen can avoid the problem of government regulations by voluntarily assuming social responsibilities, which helps to reduce the need of new laws.

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(iv) Maintenance of Society:-

The argument here that laws cannot be passed on some circumstances. So, people who feel that they are not getting their due from the business may resort to anti-social activities, not governed by law.

(v) Availability of resources with business:-

Business institutions have valuable financial and human resources which can be effectively used for solving problems.