

Ethics and Values
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Lecture – 7
Personal Social Responsibility

No content of ethics would be complete without talking about social responsibility. This quality of social responsibility is expected not just from companies but also from citizens. Being socially responsible depicts an individual's awareness of how their decisions can affect others. It shows both social awareness and self-management skills. First we will discuss social responsibility on the individual level, followed by social responsibility of the corporate level. Being socially responsible means that people and organizations must behave ethically and with sensitivity towards their social, cultural, economic, and also environmental issues. It is considered as a duty of every individual. If administered properly, then it will have a positive impact on development and society. It is something which has to be looked above and beyond even philanthropy.

As individuals, it is not necessary that our emotional intelligence skills, such as social awareness and empathy, can be shown only through our use of social responsibility efforts within an organization but they can also be practiced through our personal social responsibility efforts. It includes the engagement of each person towards the community where he/she lives. It can be expressed both in active and passive way. It can include the following:

- Charitable acts, including philanthropy such as donation of money.
- Working for the community, such as volunteering, giving blood donations, and working at a food bank or animal shelter.
- Supporting issues that affect society, such as advocating political or social issues that can help others—for example, advocating for child labor laws, purchasing fair trade products, recycling.
- Individual ethics, such as integrity and honesty. These individual ethics can also include the “golden rule”: treat others how you wish to be treated.

I am sure most of you have indulged in one or the other form of social responsibility. As students you have various platforms to engage in such activities. And those who have experienced the feeling of doing something for the welfare of others would have also understood how such actions help to develop our confidence and self-esteem.

Before we go further, let's have a quick reflection spot.

Do you think only if we donate and do charity, then we are practicing social responsibility? Think for a while. Now, what is your answer? You must understand that donations and doing charities are not the only way to practice social responsibility. You can volunteer; become an activist and a campaigner for a noble cause. As I told you before, the intentions of your

participation matter the most in defining the quality and the essence of it. Let's come back to our topic.

In the beginning of the lecture, I spoke about social responsibility at the corporate level, also known as corporate social responsibility (CSR). Now, as individuals you must also be aware of this because in future you might also become part of corporates or who knows you might even head a corporate. Since, 1960s, companies have felt the pressure from society to behave in a more socially responsible manner. In other words, in their daily operations, businesses should be concerned about the welfare of society and mindful of how its actions could affect society as a whole. Archie B Carroll, a famous professor from university of Georgia proposed in his work that corporates should fulfil responsibility at four levels which are Economic, Legal, Ethical and Philanthropic. It is also known as Carroll's pyramid.



The lowest level of the pyramid represents a business's first responsibility, which is to be profitable. Without profit, the company would not be able to pay their workers; employees will lose their jobs even before the company starts CSR activities. So, being profitable is the only way for a company to be able to sustain, and benefit society. It also means that a company should produce goods and services that are required by the customers at a reasonable price. The second level of the pyramid shows the legal obligation of corporates, which is to obey the law. It is the most important responsibility out of the four levels as this shows a company's conduct of business in the marketplace. Employment laws, competition with other companies, tax regulations and health and safety of employees are some examples of the legal responsibilities a company should adhere to. Failing to follow these laws can turn out to be very bad for businesses. The ethical layer of the pyramid demands doing the right thing. Dedication towards ethical conduct is a value which a company is expected to follow but unlike the first two levels, this is something that a company is not obligated to do. If a company is ethical in its conduct then people will prefer purchasing goods/services from the company. Being environmentally friendly, treating suppliers/employees properly are a few examples of being ethically responsible.

At the top of the pyramid and occupying the smallest space is philanthropy. Companies have long been criticised for their irresponsible attitude towards nature and fellow beings. We have

issues like carbon footprint, air and water pollution, noise pollution etc. Now, to compensate these negative effects, they are supposed to “give back” to the community they take from. Even though this is the highest level of CSR, it should not be taken lightly because people would prefer to associate with companies that engage in philanthropic activities.

So, we can say that for a business to sustain, it has to fulfil these responsibilities.

On April 1, 2014, India became the first country to legally mandate corporate social responsibility. According to this law, it is mandatory for companies of a certain turnover and profitability to spend two percent of their average net profit for the past three years on CSR. If you look at the CSR activities of Indian corporates, you will find that Infosys tops the list followed by Tata chemicals and other companies like Mahindra, Godrej, Wipro etc.

I would like to end my lecture with a thought that those individuals who continuously strive to develop their emotional intelligence skills will likely engage in ethical and socially responsible behavior, both personally and as leaders of their organizations.

In the next lecture, we will have further discussions on some forms of personal social responsibility like charity, serving the society and helping the needy.

Thank you!