

What is Social Responsibility

Lesson 1

Ref: CBSE Class11 Business Studies

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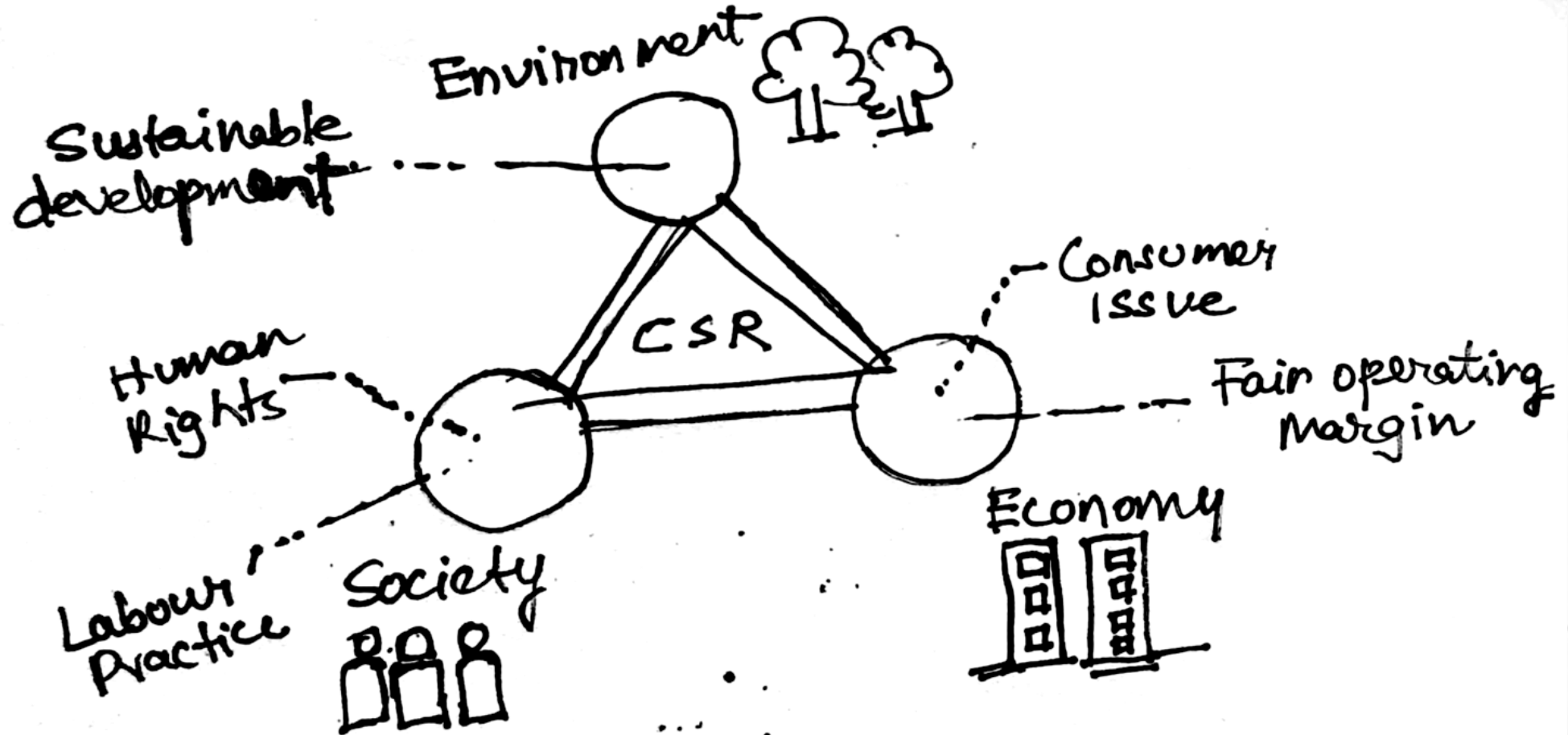
Lesson Highlights

- Define Social responsibility
- Concept of Corporate Social Responsibility -CSR
- Various angles to CSR
- Merits and demerits of Corporate Social Responsibility

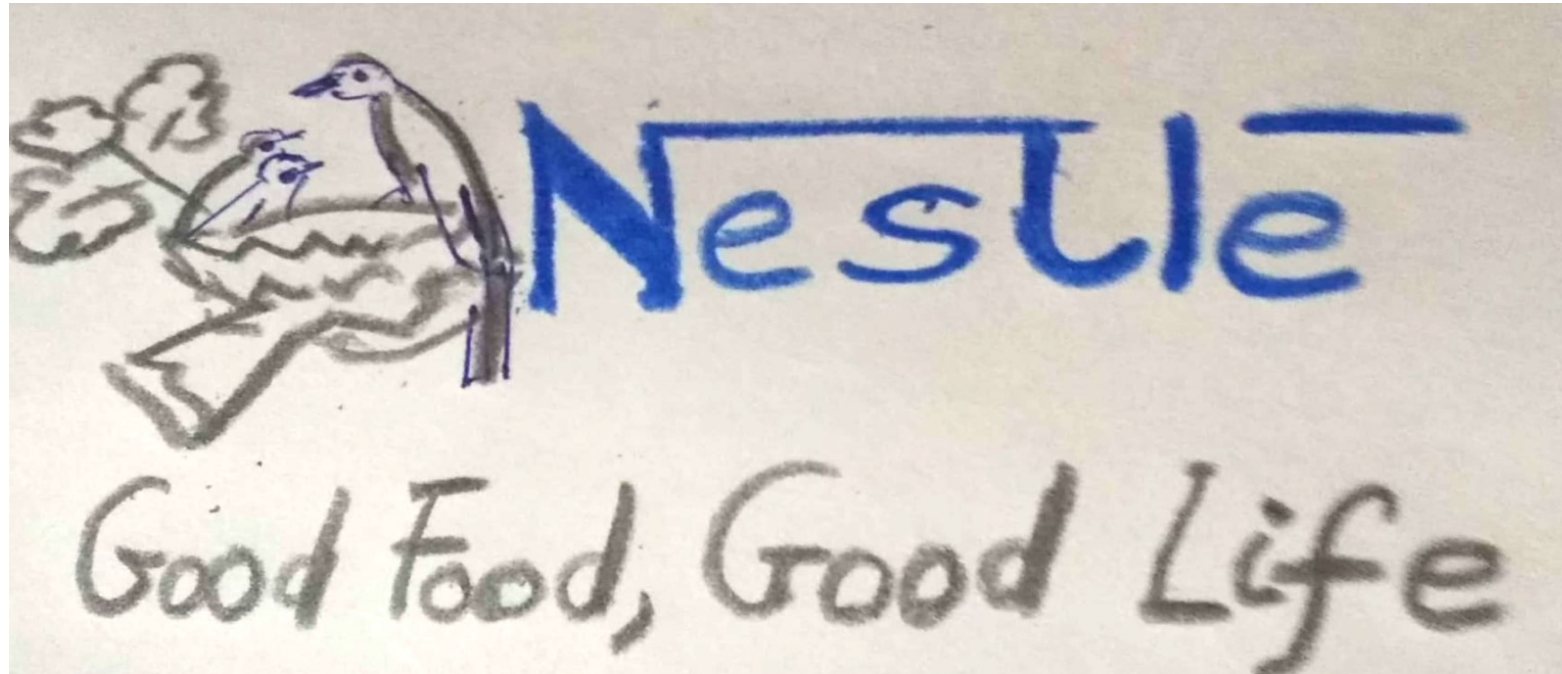
Andrews defined social responsibility as-

By social responsibility we mean the intelligent and objective concern for the welfare of the society that restrains individual and corporate behavior from ultimately destructive activities, no matter how immediately profitable and lead in the direction of positive contributions to human betterment, variously as the latter may be defined.

Corporate Social Responsibility



Some controversial statements



5 ways in which
Maggi controversy affects
Nestlé

Concept of CSR

It is based on the concept that a business firm is more than an economic institution.

CSR attempts to portray companies as responsible citizens who are concerned with issues of social and environmental welfare.

Various angles to CSR



- **The public angle to CSR**
- **The environment angle to CSR**
- **The clients angle to CSR**
- **The staff angle to CSR**

Merits and demerits

Merits:

- Safeguard long term interest of business
- Improve public image of the business
- Proactive to social demands
- Recognize society's interference to business
- Respect humanity

Demerits:

- Dilutes the main aim of business
- Dilution of profit maximization
- Restricts free market goal
- Loss of incentive
- Power without accountability



"Why do consumers buy?" and "what they buy?" the answer lies not with the product or service itself but with the way a company conducts itself.

