

**University of Mohammed Khider, Biskra**

**Department of Management Sciences**

**Grade: Master 1, Entrepreneurship**

### **What is Social Responsibility?**

Beyond maximizing shareholder value, social responsibility requires businesses to operate in a way that benefits society. Companies that are socially responsible should implement policies that promote the well-being of society and the environment while minimizing negative impacts on them.

Social responsibility refers to business practices that involve ethical behaviour and actions that benefit the society in which the business operates.

### **Means of Practicing Social Responsibility**

- ❖ Companies pursue socially responsible practices in various ways. Giving a percentage of profits to a specific charity or designated cause is one of the most basic and widely used practices.
- ❖ Many businesses have begun to emphasize the environmental friendliness of their operations. Some companies in the food and beverage industry, for example, advertise that they only use organically farmed ingredients in their products. Some companies focus on lowering their carbon footprint (energy sources that emit greenhouse gases), water pollution, or the use of non-recyclable materials.
- ❖ Others choose to practice social responsibility simply by giving back to the communities in which they operate, such as by providing fitness centers or discounted housing to their employees.

### **Advantages / Disadvantages of Social Responsibility**

In the table below, classify the following factors:

Justification for existence and growth- Lack of social skills-The long-term interest of the firm- Lack of broad public support - Avoidance of government regulation- Violation of profit maximization objective- Maintenance of society- Availability of resources with business- Converting problems into opportunities- A better environment for doing business- Holding business responsible for social problems.

<b>Advantages</b> 👍	<b>Disadvantages</b> 👎

## **Business's Responsibility To Employees:**

Employees are at the heart of increases in productivity, and they add the personal touch that puts passion in customer service. In short, employees provide an entrepreneur with a winning competitive advantage. Entrepreneurs who recognize the importance of their employees adhere to a few simple procedures, which include the following:

- ✓ Listening to employees and respecting their opinions;
- ✓ Providing regular feedback(positive and negative)to employees;
- ✓ Telling them the truth;
- ✓ Letting them know exactly what's expected of them;
- ✓ Rewarding employees for performing their jobs well;
- ✓ Trusting them; creating an environment of respect and teamwork.

### **Work in Pairs:**

What are the different types of social responsibilities? (Explain them briefly).