

Practicing the Business Ethics in harmonization of the Corporate Social Responsibility in view of the Brand Creation: An Exploratory Study

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ABSTRACT

For the growth of the any organization or even at an individual level, practices of the ethical policies have a great significance. On the path of the same philosophy, the harmonization of the ethics and corporate social responsibility (CSR) is one of the most important steps towards the growth of the nation and organization itself. There has been a lacking in the past literature written on the business ethics and corporate social responsibility working in harmonization of the each other. The present paper has reviewed the working of the CSR as per the business ethics in addition to observe the effect of the CSR on the brand creation of an organization also evaluate the attitude of the customer towards the initiative of the organization . For the study 500 respondent have been selected from the different level of the industries as well as different section of the society. The paper has concluded that CSR initiative are important but a customer first give the value to the business ethics of the organization and that value works as a key input for the branding of the organization.

Keywords

Brand attitude, Expectations of customer social responsibility, Expectations of business ethics, Brand creation

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Introduction

Business ethics, also known as corporate ethics, have been known as the practices and policies observed in business scenario to decide the difference between the right and wrong implementation and examine the business process on the moral ground or even an attempt to solve the arise problems on the basis of the ethical solution. The business ethics have been observed in all segments of the business, even ethics are also important for a group or an individual to driven through the values that ,eventually , paved the way to succeed and help to create a brand of follower of the ethics. There have been lots of practices followed by the organization or even an individual, who are involved in the businesses, but out of these practices some are ethical and some of the unethical to guide the business processes. Despite of the nature of the practices, these are help to make a better connection between the business and the stake holders [1].

Corporate social responsibility (CSR) is generally considered as the responsibility of the corporate houses towards the citizen of the nation in which they are operationalised. In general term, CSR is associated with the welfare schemes and practices [2]. The basic philosophy of the CSR is to parting away the corporate sector from only to earn the profit rather invest some part of the profit into charity works also in order to facilitate the deprives section of the nation by enriched them as a mean of education, sustainable but yet affordable house schemes, construction of the roads, adopt the village for their upliftment, help the government in eradication of the disease, provide the technology to marginalized people, help the government to achieve the sustainable development goal , protect the environment in collaboration with the government etc [3]. Fig. 1 illustrate the basic element of the corporate ethics.



Fig. 1: Elements of the Corporate Ethics

The work ethics and the business ethics are same but have different objective as the work ethics are more related to the way of an individual to perform his assigned task but the corporate ethic have the broader definition , it can be said that the work ethics is a small part of the corporate ethics [4]. Moreover, corporate ethics is more related to the policy making of the corporate house towards the way of doing business and its influence and effect on the other surrounding factors such as people, environment, social reasons, economic aspect as well as political integration with the administration and people. Corporate ethics also

related with the decision making regarding CSR at large because investment made in a CSR is not guarantee for the return inn term of the money rather that will give you assured return in term of the brand image, brand position and help to reach the maximum people through empowering them [5] .

The ethical practices are integrated term with the CSR in create the brand of organization as well as enhancing the connection between the customer and organizations. The CSR initiative always helpful to understand the brand attitude and relationship of the brand with the customer used as a tactic to identify the business opportunity. But still, earlier literatures have not covered the relation between the ethics and CSR in view of the branding for an organization [6]. There is always a confliction to find the effect of the ethics on CSR in relation of the bran attitude. Ethics is frequently define as “doing good” and interconnected by means of CSR. There are many researchers who have not finds any reason from the customer point of view to differentiate the ethics and CSR but believe to interpret both the term similar whereas consumer ethics balance typically personal ethical perspective concerning firm behavior connected with both business ethics and CSR[7]. Fig. 2 illustrate the business ethics from the customer point of view.



Fig. 2: Business Ethics from the Customer Point of View

In modern era, social responsibilities of the organization have emerged as the great challenge for the organization community. The fulfillment of the social responsibilities become the matter of the concern for managerial level who are actively involved in the decision making process regarding the making the investment in CSR activities. The decision making process for the CSR is an activity to take into consideration various other factors such as growth, survival and the continuity of the business[8] . The integration of the ethical evaluate the decision making process on the ground of right or wrong , legal as well as illegal , which way it’s a social importance like other ideals such as the right, honesty, truthfulness and others that organize the performance and choice and proceedings of commerce organization towards clients.

A variety of complementary structures, including corporate social responsibility (CSR) and business ethics and stakeholders, tend to be vying for preeminence. Social responsibility has also been described as corporate social efficiency, stakeholder theory and even the theory of

business ethics; the academic community has also merged business ethics and CSR constructs. Business ethics is mostly confined to ideas of morality linked to right or wrong choices. Regulations were found in a survey of definitions; norms and moral standards for business ethics were most frequently listed. From the viewpoint of social responsibility concerns such as sustainability, fair trade, or helping to boost consumer wellbeing, sustainable brands have been studied. Studies also investigated the placement of brands using ethical approaches [9].

Research Question

The present paper has been written to find out the association of the CSR and business ethics. The philosophy of both the term is same in term of the implementation i.e. up gradation of the life of the people as well as the surrounding environment. The following question have been attempted to discusses in the manuscript of this paper and a better solution of the queries have been expected than the previous research conducted by the scholars [10] .The questions are as follows:

Q.1 What are the expectation expectations of the customer from the business ethics of an organization?

Q.2: What are the obligations of the corporate sector towards CSR?

Q.3 What is the companies act 2013?

Q.4 How can business ethics of an organization influence the public for its brand through the CSR initiatives?

Q.5 How can a customer change his attitude by brand creation activities through implementation the CSR and business ethics practices?

Review Of Literature

Ali Awad Alwagfi et al. has given view in paper Work Ethics and Social Responsibility: Actual and Aspiration published in 2020 as the practices of the CSR and ethics as the prevailing practices with different advantages and disadvantages. In this paper a tool is used to the measure the CSR activities and also evaluate the prevailing practices at the scale of the corporate ethics. The study accomplished that the association between social accountability and ethical magnitude were statistically important. In view of these result, the study suggested the raise employees’ principles and inspiring them in moral behavior, in addition to increasing a understandable plan functional by informative organizations to be relevant and put into practice social responsibility [11].

Benabou et al. (2010) revealed that the demands of society for individual and corporate social responsibility are becoming increasingly popular as alternative answers to business and distributive failures. To shed light on this pattern and the underlying mix of motivations, we draw on recent developments in the psychology and economics of prosaic behavior. We then connect individual concerns to corporate social responsibility, comparing three possible understandings of the term: the adoption of a more long-term view by corporations, the delegated exercise on behalf of stakeholders of prosaically conduct and corporate philanthropy initiated by insiders. As a way to advance

community objectives, we discuss the advantages, costs and limitations of socially responsible behavior [12].

McCarthy, Scott et al. explained in his paper published in 2017 that a confidence level plays between the chief executive officer (CEO) and CSR. The main reason behind the confidence level is that a confidant CEO is more capability to take risk and also having the intuition power to calculate the risk factor associated in his decision. The one more reason is that Confidence levels of the CEO helps him to invest more in the CSR, his governance tactics allows him to make good collaboration with other firm as well as the government to make the policies and practices for CSR. This eventually helps organization to make their foot prints in wider landscape and get know by more population. In fact, the more involvement in the CSR activities have pave the way to more revenue by increasing customer base. Sometime, many organization promote their product by saying that is an individual avail his services than 1% of the total coat of the services will go to Social responsibility [13].

Methodology

Design:

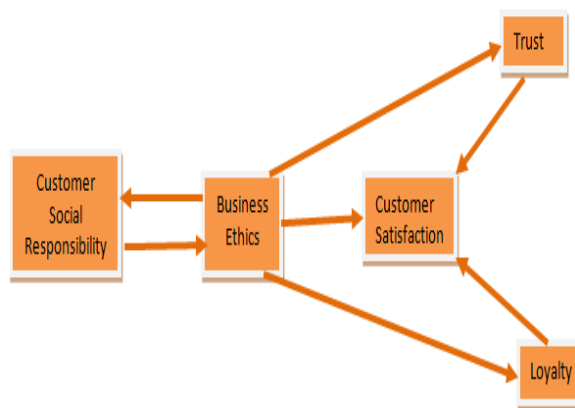
The relationship of the CSR and business ethics have been analysis in association of the other factors which are also influence the decision of a corporate house to follow the ethical behavior and make an investment in the CSR, such influential factors are customer satisfaction , trust, loyalty as shown in Fig. 3 (a) and (b). In most of the cases CSR and Business ethics have been considered for the similar purpose but this consideration is not appropriate in all cases. As shown in Fig. 3(a), if brand identity and brand reputations are the measuring point than the business ethics directly connect with the customer in comparison to the CSR. In Fig. 3(b), it has been shown that the customer satisfaction depends upon the corporate image, service quality and price distribution. The good practices of the ethics will be the regulatory mechanism for these factors.

Sample:

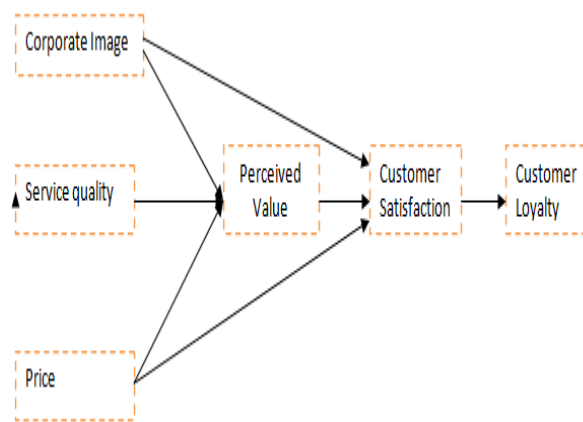
For the study, 500 respondents have been select from the different industry and from varied hieratical level in addition to the some persons are selected from the consumer side .Out of these 500 respondent, some have been employed at small firm and some firm are ancillaries of a big brand . and some are vendors to the big brand as if there are in acting role of the customer of the product from a big brand and vice versa

Instrument:

The Smart PLS 3 software had been chosen for analysis. PLS-SEM is widely acknowledged across disciplines as a robust procedure. PLS-SEM is most suitable in study wherever theory is undersized and forecast and explanation of endogenous constructs is the main objective. Since this study focuses on prediction, PLS-SEM is the appropriate choice for analysis.



(a)



(b)

Fig. 3: (a) Relationship Shared By the Corporate Social Responsibility and Business Ethics, (b) The Factors of Influence of the Customer Satisfaction

Data collection:

A detail questionnaire session have arranged to the entire respondent apart from their personal views on the practices and policy. All the respondent have asked to share their view on the initiatives taken by the administration for implementation of the ethical practices at work place in addition to the initiative taken under the CSR to upliftment the nearby area and people by providing them better education , road, hospitals , houses , drinking water etc [14].

Data analysis:

After detailed analysis of the data collected, four scenarios have been developed as shown in table .1. The four scenario based on the three area as brand exhibiting, CSR and ethical behavior. On the basis of the collected data negative and positive aspect of the ethical practice as well as the CSR policy. The effects of the negative practice of the CSR on the brand attitude have been observed on the basis of the questionnaire session. Similarly, effect of the positive practice of CSR have been observed and analyses. Same Exercise have been conducted for the ethical practices [14] .

Results And Discussion

The present study has conceived the new idea about the analysis of the CSR activities in coordination of the business ethics. The results of the study facilitate the new vision for the customer expectations in term of the business ethics and initiatives taken by the corporate for the social responsibility. The authors have conducted the search for the analysis of the positive and negative impact of the business ethics. The effect of the corporate ethics have analyzed in term of the CSR initiative. In fact, the main key outcome of the study is that Business ethics and CSR initiative both are considered as equally important [15]. These suggest that patrons value both of these behaviors. While customer's importance both behaviors, when expressive constructs were developed for organizational practice and ethics had more effective on brand attitudes than CSR.

The four situations which are based on the different scenario have been shown in table no.1. These scenarios depend upon the different situation of the CSR and the ethical behavior of an organization in the light of brand exhibition. Every organization committed to follow relationship with customer as long as and create an environment for the transparent communication at same time firm want to involve in the social responsibility in order to give a boost to the living of the people and other basic necessity that can change the world in long run. It have been seen that the if the ethics and CSR initiative are not start with a positive intension, then it will create the negative effect of the brand image of the products range of an organization in addition to not follow the regulatory norms properly and not taking sustainability initiative seriously.

There is scene of the various misconduct id an organization does not bind with the true spirit of the ethical behavior and CSR measure. The reasons of the misconduct are that bad practices of the ethics are directly related to the brand creation. The bad practices of the ethics behavior leads to diversion from the commitment of the CSR initiative, and in turn, results in deficiency of sustainable work as per the guideline of the SDGS in addition to the weakening to the benevolent behavior. The positive CSR as well as negative ethics situation has socially accountable behavior including humanitarian activities, but in amalgamation major misconduct connected to deceptive sales, taking benefit of customers in addition to not being ingenuous and obvious.

If Scenario 2 has been discussed than it have found that negative CSR initiative affect the organization image and deteriorate the brand image as well as brand position amongst the customer. The company's reputation effect a lot because of the negative practice of the CSR and also effects the p[osition of the stack holder associated with particular organization [16] . thus, it is necessary to obey the rule of the CSR with a holistic approach, there is a situation regarding making a decision towards the CSR initiative wherein once an organization have made a commitment regarding the fulfillment of the obligation according to the companies act 2013, organization must complete that commitment irrespective of the its forecast for the profit. The main reason behind this is that commitment is come in public domain; the image of the organization comes at stake to show integrity and honesty towards the surrounding people.

Table 1: The Scenario For on the Basis Of the Data Collection

Scenario 1		Scenario 2	
Brand Exhibiting Positive CSR Ethical Behavior		Brand Exhibiting Negative CSR Ethical Behavior	
Scenario 3		Scenario 4	
Brand Exhibiting Positive CSR Negative Ethical Behavior		Brand Exhibiting Negative CSR Positive Ethical Behavior	

The tendency to stick with a decision relates with the practices of the ethical value of the organization. When the scenario of the CSR and ethical behavior are considered where both the taking positively by an organization , it has seen that the customer will be more inclined towards the organization and have a positive effect on the brand promotion of the organization. This is happen because an organization committed to fulfilling its commitment and this has been show a good ethical practices in the organization and have positive impact upon the thoughts of the people in association with that particular organization [17]. In general, results propose that the effect of client's expectations of industry ethics has a robust association with how a customer responds to the company's CSR and principled behavior. Fascinatingly, client responses to the company's CSR performance have a superior contact on product attitude. In disparity, customer responses to the organization's CSR behavior have superior influence n comparison to ethical behavior approach on attitudes in the direction of the brand. This suggests that when evaluate the most constructive company, regulars value CSR performance more constructively. This consequence may be due to client's emotional appointment with all-purpose CSR expectations (e.g., welfare of society) in consequences whereas there have been no transgression by the company. These results substantiate that two fourths of the respondent's consideration regarding company ethics and CSR have been equally significant when asked straight. CSR is frequently more able to be seen and additionally communicate to consumers than moral behavior. The clients cannot see superior ethical decision made on an everyday basis. The organizations are more credible to see accumulation media information of unenthusiastic ethical performance. When examine a corporation so as to represent both negative CSR as well as negative ethical behavior, consequences point out that how a client understands both a company's CSR in addition to principled behavior is a outcome of the clients business ethics prospect. With the intention of impact of a client's prospect of business principles has a stronger association with in relation of how a purchaser respond to the organization's CSR and principled behavior. For instance, when purchaser prospect are adverse, this additional motivate a clients negative acuity of the organization's intolerable performance [17]. In this situation, the distresses appear to be with industry ethics performance where clients would potentially expect through

violate that may crash them throughout the inferior quality of goods or services.

When facing a situation that comprise a negative CSR other than positive moral behavior, client CSR prospect have a superior unenthusiastic consequence on perception of the company's ethical performance; on the other hand CSR prospect do not impact how a purchaser respond to the organization's pessimistic CSR activities. Consequently, customer prospect of CSR possibly create doubt concerning the genuineness of the company's positive principled actions; create a fewer credulous answer. A customer's reaction to the organization's pessimistic CSR performance is a product of the amount for which consumers expect the organization to execute on commerce ethics.

Conclusion

The present paper has investigated the impact of the business ethics as well as the CSR on the customer's perceptions towards the brand of the organization .In fact, Customer's prospect is the important input to create a brand image and ultimately helps to brand positioning. From the current research, it is found that an ethical practice of the organization has greater impact on the perception of the customer in comparison to the CSR initiatives. The different scenarios have been assumed in context of the business ethics, CSR and brand behavior and their impact on the business and organization's reputation checked. Our result are that ethical behavior is additionally associated with brand approach, thus symptomatic of an chance for prospect research to decide why clients are more anxious about company ethics as it have a connection with the brand attitudes.

According to these results, this research paper suggest for growing concentration to social accountability and ethical magnitude of employment in industries due to its important effect on the realism of organization and its prospect. It also advises to increasing lectures as well as seminar concerning social responsibility. Furthermore, this study recommend raising employees' ethics and inspiring them in principled ways to developing a arrangement applied by enlightening organization to apply and practice CSR apart from the ethics. It is also optional to extend noble values of collaboration, equal opportunity and honesty among employees in order to shape ethical foundations inside the association. Lastly, these consequences of the study illustrate the require for senior management promise to ethical system as they role model for others, and employment to amplify loyalty, therefore, set humanity laws.

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