Corporate Ethics and Social Responsibility

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ABSTRACT. The limitation of law determines that an economy without moral and ethical norms is necessarily an inefficient economy. If the development of today's enterprises only relies on legal constraints will not be able to achieve long-term development. Generally speaking, the concept of ethical management is to reflect the moral expectations of the group that has interests with the enterprise in the decision-making of the enterprise on the premise that the enterprise complies with the law. The content of ethical management includes paying attention to social responsibility, emphasizing corporate citizenship consciousness, facing the whole society, establishing the ethical and moral system and ethical mechanisms. Among them, Corporate social responsibility has attracted extensive attention from all sectors of society in recent years. Corporations' social responsibility can be divided into economic responsibility, legal responsibility, environmental responsibility, community responsibility, and charitable responsibility. Many scholars have done a variety of research on corporate ethics and corporate social responsibility. But many people confuse the two concepts. Although the practice of corporate social responsibility is also developing with the change of business ethics. They are by no means the same thing.

This essay classifies ethical management and social responsibility. Ethical management within the enterprise, through the efforts of the staff at all levels in the enterprise to create a good atmosphere, but the social responsibility of the enterprise pays more attention to the stakeholders, such as partners, customers, competitors, communities and governments, etc. At present, global economic integration has raised everyone's social responsibility to an unprecedented height. In a word, the modern enterprise is not only simple cooperation between capital and wisdom but also a perfect cohesion of morality, conscience, and personality. By assuming social responsibility, enterprises will establish a good reputation and image among stakeholders, so as to improve the competitiveness of enterprises. This essay will be based on this to discuss the significance of ethical management and social responsibilities in the contemporary business environment. In addition, this essay will analyze the reasons for the existence of corporate social responsibility and propose specific ways to strengthen corporate social responsibility.

KEYWORDS: corporate, social responsibility, ethical management
1. Introduction

According to the hypothesis of "rational economic man" in traditional economics, enterprises pursue profit maximization as their sole goal, develop production and operation activities within the legal framework, provide products or services to the society, and satisfy the needs of others while making profits themselves. However, legal restrictions cannot provide an effective and efficient economy, and the development of today's enterprises cannot only rely on legal constraints for development. Many enterprises will produce a large number of products that are not needed by society in the process of operating activities, resulting in serious consequences such as environmental pollution, ecological imbalance, resource exhaustion and deterioration of social production conditions. Based on these, people put forward a question, that is, besides making money, what is the corporate ethics and what is the social responsibility of enterprises? This is a question that must be seriously answered in the face of industrial civilization and economic prosperity.

2. The concept of corporate ethics and social responsibility

**Economic responsibility.** Legal responsibility.

The concept of corporate ethics is to reflect the moral expectations of the group that has interests with the enterprise in the decision-making of the enterprise on the premise that the enterprise complies with the law. The content of corporate ethics includes paying attention to social responsibility, emphasizing the enterprise's civic consciousness, facing the whole society, establishing the ethical and moral system and ethical mechanism. Among them, corporate social responsibility, as an important part of corporate ethics, has attracted extensive attention from all sectors of society in recent years. Corporate social responsibility can be divided into economic responsibility, legal responsibility, ethical responsibility and charity responsibility (Carroll 1979).

2.1 Economic responsibility

Economic responsibility refers to the behavior of enterprises to obtain profits by providing products or services, which is the basic responsibility of enterprises. As a profitable organization, the main purpose of the enterprise is to turn the investment into a greater return and gain more profits by producing products or providing services. And the enterprise wants to obtain profit, must assume corresponding economic responsibility.

2.2 Legal responsibility

The precondition for enterprises to gain profits in the market is to abide by the national laws. Enterprises should carefully study and strictly abide by laws and regu-
lations, so as to make enterprise affairs always run efficiently on the track of the legal system. Only in this way can they achieve both efficiency and property safety.

3. The relationship between corporate ethics and social responsibility

Corporate ethics is the further perfection and development of social responsibility. Compared with social responsibility, corporate ethics is a more profound and personal problem, that is to say, it takes the value concept based on justice and justice in human society as the preoccupation of enterprise. If the enterprise can not pursue profits, the enterprise’s operating will be affected. It should be said that the social responsibility of enterprises is limited to the compliance and performance of a moral obligation, and the company must pay attention to the enterprise's efforts to contribute to the society and others. While emphasizing social or institutional justice, corporate ethics pays more attention to the thoughts and values of enterprise individuals themselves, that is, it pays more attention to human nature and human rights from the perspective of the principle of human nature in the operation of enterprise management.

4. The difference between corporate ethics and social responsibility

Many people confuse the two concepts of corporate ethics and CSR. Although CSR develops with the change of corporate ethics, they are by no means the same thing.

4.1 Different purposes

Corporate ethics is put forward in order to avoid and reduce the loss of profit caused by the violation of social morality in the production and management activities of enterprises. By putting forward corporate ethics in the enterprise, employees can understand the importance of ethics. Through the efforts of employees at all levels in the enterprise, the occurrence of violation of social ethics in production and operation activities can be reduced, so as to avoid the loss of the enterprise. Bowen (1953) believes that enterprises have the obligation to make policies and decisions in accordance with the requirements of social goals and values. If companies recognize the broader social goals in their decisions, their business activities will bring more social and economic benefits.

4.2 Different objects

Enterprise ethics is introduced in the enterprise, and the object is employees at all levels. Through the efforts of the staff at all levels to create a good atmosphere within the enterprise, the enterprise can develop in a good internal environment, and corporate ethics gradually entered the vital position of company's strategy (Wilson, 2000).
5. The reasons why enterprises lack corporate ethics and CSR

By analyzing the current situation of corporate social responsibility deficiency and its adverse consequences, and observing from the perspectives of countries, enterprises, and consumers, the main reasons are as follows:

From the government perspective, CSR is viewed as self-control of government (Gond et al, 2011). The market system and relevant tax policies and laws are not complete, and supervision is not strong enough. To develop the economy, a country must rely on the development and promotion of enterprises, so enterprises take advantage of the dependence of the state on them and ignore social responsibility. At the same time, due to the dependence of the country's economic development on enterprises, the state has no strong supervision and restriction on the development path and way of enterprises, resulting in the lack of CSR.

From the perspective of enterprises, an enterprise is an organization that pursues interests. Maximizing profits is the ultimate goal and motivation of an enterprise. Under the condition of increasingly fierce market competition, enterprises gradually lose their social responsibility. In the market, producing fake and inferior commodities can not only have the competitive advantage of low production costs but also increase the sales volume to a certain extent.

From the perspective of consumers, consumers have weak awareness of safeguarding their rights. Consumers, as the ultimate undertaker of profits, bear risks to a certain extent. After being cheated by the enterprise, some consumers will choose to suffer in silence instead of asserting their rights and interests or just complain without specific rights protection actions. Such behavior is condoning the wrong behavior of the enterprise.

6. Ways to strengthen corporate ethics and CSR

6.1 Internally(Ways to strengthen corporate ethics)

(1) Strengthen the value of social responsibility at the management level

Enterprise managers should first deeply acknowledge the significance of the settlement of enterprise moral culture and create a sense of duty for ethics. Actually, the formal acceptance and employment of CSR by corporations could be linked with the altering personal sense of worth of managers (Hemingway & Maclagan, 2004). In 2017, a Harris poll conducted for Glassdoor found that 75 percent of job seekers expect their employer to provide help to those in need. If employees find that business leaders have invested time and resources in the cause, they are encouraged to find appropriate ways to contribute.

(2) Show respect and appreciation for employee participation

Companies must ensure that employees who engage in such activities are treated with the respect they deserve, which is free marketing and adds to the company's
public image. The implementation of new forms of judgement to motivate increased focus on ethical, social and environmental impacts (Roberts, 2003). When an employee contributes to a CSR initiative, companies should publicly praise their work, hold events to discuss outstanding employee cases, and don't make employees feel that their hard work is being ignored.

(3) Establish "people-oriented" corporate culture and integrate corporate ethics into corporate culture

People-oriented culture can develop the advantages of market competition, enterprise economic benefits, and the development of a variety of advantages. Enterprises should take social responsibility as the basic value concept and integrate the consciousness of social responsibility into the corporate culture.

(4) Focus on decision management

Enterprises should establish a scientific and perfect decision-making system, which not only requires rational analysis but also attaches importance to the communication and cooperation between departments and employees, so as to ensure the quality of decision-making management. At the same time, paying attention to decision-making is also an important manifestation of the construction of the internal ethics of an enterprise. Only by ensuring that decision-making occupies an important position in the construction of corporate ethics can the construction of enterprise ethics be improved and mechanism will be complete so as to achieve the common goal.

6.2 Externally (Ways to strengthen CSR)

(1) Guiding responsible consumption to responsible production

Consumers should make free and rational consumption choices and refuse to buy irresponsible products. Although consumers don't understand the SCR of enterprises, enterprises need to guide consumers so that they can understand and help enterprises achieve social responsibility (Pomering & Dolnicar, 2009).

(2) Incorporating corporate social responsibility into the evaluation system

The growth needs of corporate social responsibility (CSR) rating has led to a significant increase in the number of groups providing CSR ratings to investors and consumers (Márquez & Fombrun, 2005). The enterprise social responsibility index is introduced into the enterprise value evaluation system, so as to better measure the impact and contribution of enterprise social responsibility on enterprise value improvement, and then to evaluate more accurate enterprise comprehensive value.

(3) Raising the attention of governments

The government should set up a special organization to manage CSR construction, integrate and coordinate the policies and measures of various departments, and regard promoting CSR construction as an important work. In addition, we should vigorously publicize corporate social responsibility, encourage employees, consum-
ers, industry associations and other stakeholders to safeguard their own rights and interests, guide the whole society to pay close attention to and participate in, and promote enterprises to truly realize the importance of assuming social responsibility. In order to encourage enterprises to actively achieve their social responsibilities, the government can adopt policy guidance or financial incentives. For example, when making investment and procurement, enterprises that pay attention to the protection of labor rights, energy conservation, and environmental protection, and honest operation should be given priority, so that enterprises can realize that they will have more opportunities to benefit from social responsibility. If a country does not have a specific CSR environmental policy, it is difficult to expect to realize its social responsibility through enterprises (Škare & Golja, 2014).

7. The significance of ethical management and social responsibility in the contemporary business environment

From a macro perspective, business ethics plays an important role in the economic system. Ethical behavior allows buyers and sellers to gain a more trustworthy market in which they can more efficiently choose the products and services they need and the counterparties they deal with. Unethical behavior will restrict market fairness, worsen market environment and reduce market operation efficiency. Business ethics will promote the effective operation of the market system, which will make the company more likely to invest in social responsibility (Lougee & Wallace, 2008).

From the microcosmic point of view, moral behavior is the foundation of trust between enterprises for individual enterprises. Moral behavior makes business transactions more fair, and both parties can trust each other and benefit from business activities. With the enhancement of consumers’ moral consciousness, moral brand can provide the company with unique advantages in the market (Fan, 2005). At the same time, ethical behavior can improve the production efficiency of enterprises. Corporate social responsibility can create a more favorable environment for the survival of enterprises, and improve the sense of responsibility, initiative, enthusiasm and creativity of employees (Schiebel & Pöchtrager, 2003). In addition, corporate social responsibility can make the production and operation activities of enterprises more effective, increase the flexibility and autonomy in the decision-making process, and help to gain the trust of other enterprises and governments.

8. Conclusion

In short, the enterprise is a "polyhedron". It should chase maximum profit in perspective of core object of the enterprise. From a legal point of view, it must comply with the law. It should shoulder social responsibility in the perspective of morality. In the construction of the fair society, CSR is not only a simple expression for social morality but also a social duty that companies must put into practice. Modern enterprise is not only the simple cooperation between capital and wisdom but also the perfect cohesion of morality, conscience, and personality.
References