

Topic- Social Responsibilities

Business is a social process and its responsibilities towards different interest groups of the society such as consumers, shareholders and community are known as social responsibilities. Business has to fulfil its social responsibilities, because all the individuals involved in a business such as owners, customers and employees are the integral part of the society. Following are the various social responsibilities of a business

Responsibilities towards consumers A consumer is a determines what goods shall be produced and whether they should be sold in person who the market or not. Consumers not only determine the income of the business but also affect the success and survival of the business. Therefore, a business has some basic responsibilities towards the consumers, such as:

- To produce those goods that meets the needs of consumers of different tastes, classes and different purchasing powers
- To establish lowest possible price with efficiency and reasonable profit to the business
- To ensure fair distribution of products among all sections of the consumers.
- To make the product more satisfactory to consumers through the study of consumers' needs
- To handle consumers' complaints more carefully and to analyse them properly
- To answer consumers' enquiries related to company, its products and services

Responsibilities towards shareholders: The basic responsibility of a business is to ensure safety of investment, higher rate of return on the investment. Owners of a business may be proprietors, partners or shareholders. The interest of shareholders is to participate in the management and to get regular dividends at appropriate rate. It is therefore, the responsibility of management to improve the communication between the company and its shareholders. This can be done by providing maximum information to the shareholders through newsletters, annual reports or by holding the annual general meeting of the company at an appropriate time and place so that the maximum number of members can come and participate in the discussions.

Responsibilities towards community: Management has the responsibility of informing the community about the organizational policies, activities and contribution towards the betterment of society. The various other responsibilities towards the community are as follows:

- To provide financial help to the municipal and district boards for the improvement of housing conditions.
- To help community by aiding hospitals, schools, colleges, religious institutions, etc
- To organise community forums and group discussions to promote better understanding of national and local affairs.
- To encourage sports and provide recreational facilities.