Example of Article # 1 Business Law

India Journal: The Case for Enlightened Self-Interest-via The Wall Street Journal

By Bharat Joshi

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This article is about the perception, and sometimes misperception, of " corporate social responsibility" and the actions that corporations take that enhance or hinder their image. The author, Bharat Joshi, implies that often, corporate social responsibility, does not come from the heart of the company, but rather is implemented in an effort to achieve a check-mark on the task list or to "make everyone feel good that they got out of the office for a day and 'did something.'". He believes this has become commonplace in businesses due to the fact that society has a misperception that companies "do" something with a hidden agenda or ulterior motive. Mr. Joshi believes that corporate social responsibility's opinion could benefit if executed by companies that "are passionate about the causes they are taking up". Mr. Joshi considers using employees at all levels, including the top executives, when integrating themselves into the community services that a corporation chooses, which should fit into the overall corporate goals. He believes that "lives everywhere could be made a lot better, while ensuring tangible benefits for the business" by proving that the company is committed to the cause and not just in it for the moment. He gives examples of several companies and avenues that they could pursue. For instance, a newspaper company could dedicate resources and play an "active role in literacy and education" or "insurance companies could do everything they can to promote a healthier lifestyle". The idea is that these corporations would show an interest in bettering lives and communities and not just profiting from their business. All of this could help the company achieve the desired result of increasing profits for shareholders and at the same time integrating themselves into their communities with fervor, which ultimately could change society's perception of " big business" and corporate social responsibility.

The text on page 21 defines "corporate social responsibility" as "the idea that those who run corporations can and should act ethically and be accountable to society for their actions". The "stakeholder approach stresses that corporations have a duty not just to shareholders but also to other groups affected by corporate decisions". This means that corporations should put thought and deliberation into the "impact of its decision on all stakeholders, including vendors, surrounding neighborhoods, employees and customers, not just shareholders". "A way of doing business" suggests that corporate social responsibility attains its maximum effectiveness if it is treated as a way of doing business rather than as a special program". Almost like an additional umbrella of the company, not just a one-time event that is executed for publicity or other motives, as Mr. Joshi suggests in his article. One idea that comes to mind is a pharmaceutical company who develops a drug for diabetes. The company could organize fundraiser events and activities for people who suffer with the disease as well as offer education opportunities in addition to suggesting ways to improve their lifestyles through nutrition and exercise on a regular basis, but not necessarily offer information on their drug. As the text states "the company might obtain a higher return on investment in social projects in the communities in which its employees live". According to Mr. Joshi, "it's often the best way to do good by doing well". And shouldn't that be the ultimate corporate goal?