

Social Responsibility of Managers

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Stake-Holders of the Organisation

- **As** the outcome of the increasing concern for the social responsibility of management, it is now recognised that, besides taking care of the financial interest of owners, managers of business firms must also take into account the interest of various other groups such as employees, consumers, the government, and the community as a whole

Social responsibilities of management towards each of the interested groups

- **Responsibility towards owners**
- **Responsibility towards employees**
- **Responsibility towards consumers**
- **Responsibility towards the governments**
- **Responsibility towards the community and society**

1. Responsibility towards owners

- The primary responsibility of management is to assure a fair and reasonable rate of return on capital and fair dividend to the shareholders as investors and risk bearers.
- With the growth of business the shareholders can also expect appreciation in the value of their capital.

2. Responsibility towards employees

- Management responsibility towards employees relate to the fair wages and salaries, satisfactory work environment, labour management relations, and employee welfare.
- the provision of welfare amenities like safety and security of working conditions, medical facilities, housing, canteen, leave and retirement benefits.

3. Responsibility towards consumers

- Consumers are often victims of unfair trade practices and unethical conduct of business
- Management should satisfy consumer needs and protect consumer interests.
- Goods must be of appropriate standard and quality and be available in adequate quantities at reasonable prices.

4. Responsibility towards the governments

- As a part of their social responsibility, management must conduct business affairs in a lawful manner, honestly pay all the taxes and dues, and should not corrupt public officials for selfish ends.
- Business activities must also conform to the economic and social policies of the government.

Thank You