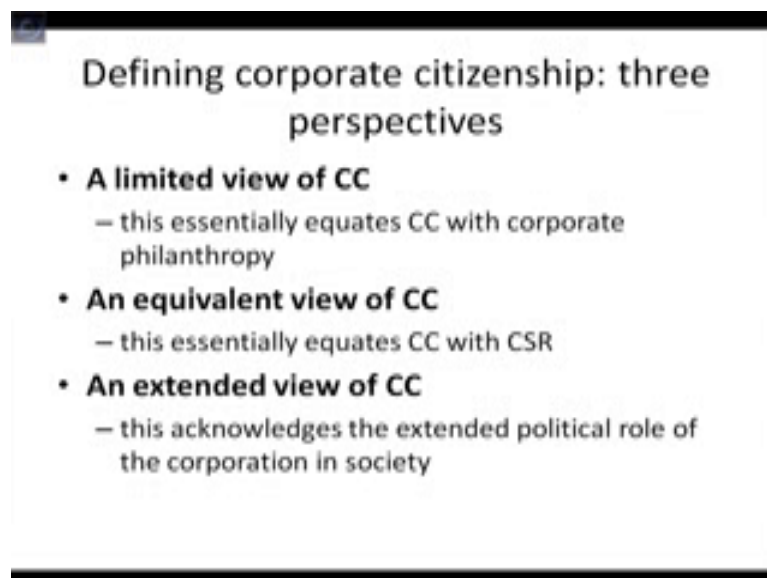


Business Ethics
Prof. Susmita Mukhopadhyay
Vinod Gupta School of Management
Indian Institute of Technology, Kharagpur

Lecture - 09
Corporate Citizenship

In the final phase of this discussion, now we will be focusing on the corporate citizenship and the different aspects of corporate citizenship. So, where we discussing concept of corporate citizenship, we have to understand the different views related to it.

(Refer Slide Time: 00:46)



There are three perspectives in discussing corporate citizenship. The first is a limited view of corporate citizenship which equates corporate citizenship with a corporate philanthropy the top part of the Carroll's corporate social responsibility model and it is take; it to be equivalent to the. So, it is taking like the corporate is performing its citizenship function where it is voluntary donating for some social causes. That is a limited view of corporate citizenship. But these ways of considering corporate citizenship actually does not add something new to the concept of already present which is corporate social responsibility.

In a equivalent view of corporate social; equivalent view corporate citizenship has been considered to be equivalent to corporate social responsibility and some of the literature present these two terms have been introduced interchangeably like either corporate

citizenship or corporate social responsibility with the four different responsibilities like economical legal ethical and philanthropy when you talking of the extended view of corporate citizenship this acknowledges the extended political role of the corporation in the society.

(Refer Slide Time: 02:36)

	Limited view	Equivalent view	Extended view
Focus	Philanthropy, focused on projects, limited scope	All areas of CSR	Citizenship: social, political and civil rights
Main stakeholder group	Local community, employees	Broad range of stakeholders	Broad range of citizens; society in general
Motivation	Primarily philanthropic; also economic where citizenship is strategic	Mixed – economic, legal, ethical, philanthropic	Political
Moral grounding	Reciprocity, i.e. putting something back	Duty to be responsible and avoid harm to society	Grounding is not moral, but comes from changes in the political arena

When we are discussing this, we have to understand like in the extended role what we are discussing of the like I told like the nature of individual citizenship is getting compared with the citizenship role of the corporate here we are talking of the like entitlement to certain rights of the individual like the social rights, the civil rights and the political rights. Social rights are the right to participate in certain activities. Civil rights are not rights not to be abused by certain other entities or individuals or groups and if talking of political rights it is the right to express my choice or freedom for something.

In this extended view of corporate citizenship, the corporation taken the corporate functions are taken to be functions which helps the individuals in exercising or which takes care of the these different rights of individual and it is taken corporate citizenship is a concept where the corporate functions are governing the citizenship rights of the individuals by either in a providing role or like there providing for this rights. They are enablers of these rights are facilitating these rights to facilitating the process. So, that they are able they are providing for the social rights they are enabling for the civic rights

to be enjoyed and they are channeling so that the society at large the citizens at large can enjoy their political rights also.

Corporate citizenship; the corporate are playing the role of providers enablers and they are also channelizing the helping the individuals to exercise the channeling them. So, that they can exercise their political rights let us now compare the three different views of corporate citizenship with respect to the focus main stakeholder group which is involved motivation and the moral grounding of it.

When the focus we see the limit in view the focus as already discussed is on projects and limited scope on philanthropy in equivalent view the focus is on its all areas of CSR with like economic perspective legal ethical and philanthropy perspective the extended view is on the social and the political civil rights. So, its corporate functions are geared towards governing the social political and civil rights of the society the people at large in the society.

Main stakeholder group you see the local limited view it is for the local communities and the employees for equivalent view, it is a broad range of stake holders, what you are taking the extended view, it is the broad range of citizens or the society in general whether means you taking a very extended view of the stake holders means network of stakeholders, stakeholders of stakeholders, stakeholders of stakeholders of stakeholders and that is how everybody gets connected to the as the part of the stakeholder of the firm and that is why the citizenship role.

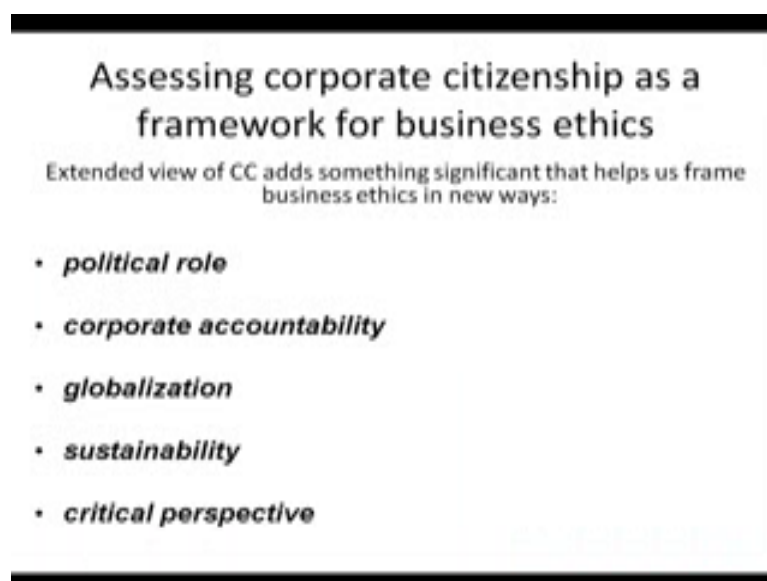
Motivation is primarily philanthropic limited view of the firm and also economic citizenship strategic in nature. So, in you are taking of strategic CSR. So, it is philanthropic and of course, economic equivalent view is a motivation makes economic legal ethical and philanthropy because these are the 4 roles that have been set for CSR and extended view it is mainly is the functioning as a political actor where the power in influence of the firm spreads across the society. So, that is the citizenship role undertaken for the political from the political perspective moral grounding lies in the fact for limited view it is a reciprocity means. Because, I have taken something from the society it is philanthropy it is my part of responsibility it is the firm's part of responsibility to give something back to the society also.

When it is a equivalent view it is not only philanthropy, but also to understand the packets it my duty to be responsible and to see the I am taking some pro active step to avoid the harm that is done to the society in extended view of corporate citizenship it is the grounding is not on moral things like I have taken from society as a part of doing my business. So, I need to give back the society and provide lesser harm to it, but it is mainly based on changes in the political arena and the political power and influence that I may be want to make the society from the society at large which may in turn later on help me facilitating in doing my business properly that area is the guiding the moral grounding over here.

It is not a moral part, but this political ways of looking at the whole thing and the because the role expected from the organization over here is mainly that of the citizen where it takes care as a care taker or the regulator of the citizens rights of enablers of the different rights of the citizens. So, that entitle it is helping the citizens to enjoy or get certain of the things entitlements that they have in terms of social rights civic rights or political rights.

From the moral aspect it as shifted to a political aspect where it is taking care of the rights of the society and the citizens at large and that is how they are playing this citizenship role.

(Refer Slide Time: 10:54)



Assessing corporate citizenship as a framework for business ethics

Extended view of CC adds something significant that helps us frame business ethics in new ways:

- *political role*
- *corporate accountability*
- *globalization*
- *sustainability*
- *critical perspective*

assessing corporate citizenship as a framework of business ethics, you can understand like in the extended view of corporate citizenship helps us to frame the concept of business ethics in new ways because it helps us to better see the political role of the organization it because they are geared towards the political role because they are also interested in increasing the power in influence in the society by providing something to the society in terms of helping them the citizens to enjoy the social civil and the political rights then it clarifies the demand of those stakeholders at large for the accountability of the corporate also to the stakeholders.

It helps to understand the citizenship behavior and what are they could be the flip sides of the citizenship behavior and the challenges faced by the organization with respect to globalization like when we are going, because it is like a run towards the bottom where I can get things done at the cheaper rate and cheaper; easiest way without much of the hindrances given by the local community, local laws of the land and all this things. So, they need brings a responsibility also in terms of you providing for the rights of the citizens of that place and you are not harming the rights of the citizens of that place and that is how your answer in the challenges of the globalization and in and you are been made accountable to the stakeholders of that particular society that you are going to.

And it also links with the sustainability aspect because the rights of the citizen it gets link to the sustainability in the sense if you are helping your employees if you are helping the citizen at large to enjoy certain of their rights and you are not providing harm to their rights this helps in the sustainability of the business through the sustainable business practices. And through the citizenship role that you play it helps in the sustainability of the and if you are accountable for your actions and you are practicing transparency and self regulation, it helps in the sustainability of the society also that you are going and functioning with them and it provides critical perspective, the (Refer Time: 14:16) corporate citizenship it provides a critical perspective on the corporate social role.

that it helps in dealing with it takes a non (Refer Time: 14:27) perspective in dealing with how the corporate forming and how there are answering to the means of the society and objects and balances so that whether they are accountable to the different stakeholders what all they have done to enhance the or provide for or enhance the rights of the individuals of that way. And correspondingly the stakeholders or the society also

are getting because of the citizenship role the corporate are playing the society are also taking more interest in the functioning of the organization they are watching.

They are prime to follow how you are doing your business, what are the moves that you are taking in your business, how it is functioning, what are the objectives it is leaving to and how it is trying to; how transparent it is? How it is communicating with the society? At large what it is doing? So, society also is getting interested about the functioning of the organization and it is trying to communicate with the organization in different ways through different platforms and that is how the bonding between the corporation and the society at large is extending which leads to mutual beneficial (Refer Time: 16:04) coexistences of each other.

Thank you. And we will move forward with the discussion of the ethical theories of decision making, and how corporation like business ethics is practiced in organizations and will also discuss about the different stakeholders, and the relationship of ethics of different stakeholders in our subsequent discussions.

Thank you.