

The Importance Of Social Responsibility And Ethics In Organizational Management

Claudiu Gabriel Stan* and Ofelia Robescu

The Valahia University, Targoviste, Romania

ABSTRACT

Social responsibility (SR) in the healthcare sector can learn much from the evolving concept of corporate social responsibility (CSR). The main element of “responsibility” is by nature an ethical concept, addressing the consequences of actions when looking back to the past, and addressing responsibility for what will or must be done when looking forward to the future. Thus, it is a good guide to understanding SR. The “social” part of the term also began initially as a moral concept in interpersonal relationships. Later, society began to take an active role, and its demands began to identify the circumstances that create the right to create responsibility. Starting from the basic concepts involved in organizational management, this paper analyses the major points that motivates administrations to act in a socially responsible manner; in my opinion, social responsibility, understood as ethical responsibility based on virtue ethics may lead management to excellence.

*Corresponding author

Claudiu Gabriel Stan, The Valahia University, Targoviste, Romania.

Received: July 30, 2025; **Accepted:** August 03, 2025; **Published:** August 13, 2025

Keywords: Ethics, Organization, Business Management, Social Responsibility

Introduction

It was believed that organizations with such higher social functions would automatically fulfil their social responsibilities without further scrutiny. However, this notion is being reconsidered. Technological developments, demographic trends, and the awareness that health is a fundamental right for all people have spurred an explosion in demand for health care services. At the same time, increasing costs, the technologization of the profession, the presence of private industry and fierce competition, constraints on public financial resources, management complexity, growing environmental concerns, and burgeoning regulations pose significant challenges to the quality of management of healthcare institutions and the coverage offered by a wide range of SRs.

One consequence of all this is the growing interest in SR in the healthcare industry. It should be seen as an opportunity for a fruitful exchange of views among all stakeholders, including academics and practitioners, the public sector and the private sector.

SR is not a univocal concept; SR means something, but it does not necessarily mean the same thing to everyone. This lack of consensus should not surprise us. The reality of human organizations is so diverse and changing so rapidly that there is no single way to be responsible to society [1]. However, it is equally clear that all human organizations have some form of SR.

The purpose of this paper is to consider what SR is and why it must be practiced by those who manage organizations. In the next section, SR is explained from the perspective of the management of an organization. In the next section, we discuss what moral,

legal, and social responsibilities are. In addition, we will look at why SR is necessary for management before concluding.

Social Responsibility and Management

In this section, the analysis is based on three simple concepts

- a human organization (a business, a non-profit hospital, a sports club, a political party etc.) is “a group of people whose actions are coordinated to achieve a certain goal or result, and whose achievement concerns them all, even if it is for very different reasons” [2].
- managing an organization requires coordinating the actions of all these people in order to achieve these common goals.
- SR is “the responsibility of companies (and organizations in general) for their impact on society” [3].

Responsible organizations seek to achieve these common goals as they relate to everyone, taking into account their impact on society. Positive impacts are promoted, while negative impacts are avoided or offset. This concept is expressed in many of the definitions of SR that speak of “integrating social or ethical aspects into economic activities,” “meeting society’s expectations while achieving economic goals,” “engaging in open and transparent business practices that respect employees, communities, and the environment,” “integrating the needs of people, planet, and profit in business operations,” etc. Organizations must consider the needs of all stakeholders, both internal (owners, managers, employees) and external (customers, suppliers, communities).

Organizations with purely economic and social objectives, whether public or private, develop strategies, build structures, make policies, and take actions that affect many people and organizations. All of these will define SR according to their impact on society.

Naturally, all of these require managers to guide, coordinate, and control them. The SR system must have a set of rules and regulations, i.e., management systems incentives, indicators, reports, audits, codes of conduct, training programs, etc. This is the instrumental aspect of SR.

SR is a set of individual and collective responsibilities that are shared, mutually supportive, and mutually beneficial: management and governing bodies, professional organizations (SR committees and SR or sustainability managers), middle managers and employees, and even suppliers, distributors, partners, and agents.

It is where decisions are made about what should be done, how it should be done, and by whom. SR usually begins with a commitment by senior management based on the organization's mission, vision, and values. SR is a way of managing an organization, a continuous practice that is more or less embedded in the mission, strategy, policies, and day-to-day decision-making.

From an external perspective, SR is part of an organization's contribution to a prosperous and sustainable society. This contribution can be made in a variety of ways, ranging from the performance of traditional corporate functions (meeting needs and creating value and employment through the production of goods and provision of services), to the management of positive externalities (innovation and development) and negative externalities (related to the environment and climate change) of the company, to the moral and cultural transformation of the society with which the company interacts. There are many ways to do this. Its impact is measured primarily by its results (outcomes), for example, the triple bottom line but SR is more than these outcomes[4].

SR calls for organizations to be efficient, ethical, and responsible, both internally and externally. It is a series of processes, manifested above all in the changes that take place within the organization and within its people (changes in knowledge, competencies, attitudes, values, and virtues). External outcomes are merely the result of these changes, and perhaps not even the most important ones.

However, for a number of reasons, this ideal is unlikely to be achieved: the ability of SR to positively impact society is extremely limited and, in any case, unlikely to have any real significance: "There is little logical or empirical evidence that social activities on the part of companies are likely to be socially enhancing rather than likely to be socially harmful" [5]. That is why, according to Visser "CSR as a business, governance, and ethical system has failed" [6].

The ability of SRs to transform their enterprises from within also faces challenges, but at least it is a reminder that organizations have a responsibility to change their management processes, provided that managers recognize and accept that responsibility. A virtuous or responsible company is one that "recognizes that it is 'accommodating' a practice, encourages the pursuit of excellence in that practice, recognizes that it is a wholly moral pursuit, and will pursue external goods to the extent necessary to maintain and support the development of excellence in that practice (and only to the extent that it pursues)" [7], is a corporate personality.

A socially responsible organization is one that operates by applying standards of excellence. And this leads us to the ethical dimension of SR.

We consider three types of responsibility: moral responsibility, legal responsibility, and social responsibility.

Responsibility is a moral category and always arises from relationships with others: "To say that a person is responsible for an action is to say that it is appropriate to make that action the basis of that person's moral evaluation" [8]:

- retrospective or ex post facto as attribution. In the past, the actor acted (or did not act) and responsibility is attributed to the actor for the act and its consequences, as well as its purpose and motive.
- prospectively or a priori, as an obligation. The subject has decided to act or is obligated to act and is prepared to accept present and future responsibilities, including the purpose of the obligation and the necessary or appropriate means to fulfil that obligation. This type is often associated with the agent's role and function [9].
- responsiveness as an attitude. When an agent acts with prospective responsibility, the agent demonstrates a willingness to respond to the needs and demands of others. This rationale stems from the agent's ability to make genuine moral decisions for himself or herself in such a way that others trust that the agent will fulfil his or her obligations and accept the consequences of his or her actions.
- as accountability. Attribution of responsibility means that an actor must be able to account for his or her actions and motives, the strategies they incorporate, the means used, and their consequences. Moral responsibility is something one owes to another person or community and is therefore subject to the normative standards that govern interpersonal relationships in that community and the scrutiny, evaluation, and sanctioning of those relationships. This type is a way of including the community in the above definition of responsibility.

Social demands in themselves do not create moral responsibilities arising from the obligation of justice. However, these demands serve to draw attention to the content of these responsibilities and give them a form that is appropriate to a particular place and time. For example, the obligation not to discriminate against employees based on race, gender, or religion will be set forth differently in different communities, but moral norms are generally and morally binding.

Legal responsibilities are based on compliance with the law. Ethics and law may or may not be moral obligations, as they do not share the same origin or scope:

- legal responsibility is based on standards of social necessity and effectiveness and not necessarily on moral principles.
- law is primarily concerned with consequences and not with intentions. On the other hand, in some ethical theories, intentions have an important place in moral responsibility.
- law does not encompass all moral obligations, nor should it, since to do so would be detrimental to freedom.
- the areas in which the two responsibilities apply are different.
- Legal responsibility tends to be passive and cannot easily adapt to new situations and problems.

Responsible organizations must follow the law, but SR is not a legal responsibility; it is not the law that binds SR; it is not the law that makes the organization responsible; it is not the law that makes the organization responsible; it is the law that makes the organization responsible.

Features of SR

The adjective "social" has many meanings. The moral responsibility referred to earlier is a social responsibility insofar as it arises from relationships between people. For example, the sale of a defective

product that may cause damage to consumers gives rise to an obligation to compensate for that damage. However, SR has a broader meaning. In the above example, it establishes a general consumer right to safe products and a responsibility that applies to all companies beyond the specific relationship between buyer and seller; SR is a responsibility to society as a whole (although it may be limited to a group of stakeholders), and this is reflected in many definitions of SR. It integrates social and environmental considerations, contributes to a better society, respects people, communities, and the environment, treats stakeholders in a socially responsible manner.

Thus, when society expresses a request, demand, claim, or expectation, it is considered to form a potential or effective right that deserves social recognition. (Even if it is granted only to a particular group, there is support from the community.) The strength of these demands can come from a variety of sources, including coercion (by society or the state), ethics (because the rights granted imply moral obligations or because society assigns normative value to what is proposed), and expediency (because the organization agrees to negotiate its responsibilities). Society also demands that the organization be accountable for its commitments, the means it has used or will use to fulfil those commitments, and their consequences.

In short, SR as we see it today is the result of the coexistence of models in various stages of evolution. In some cases, SR addresses the ethical treatment of relationships between stakeholders, which is accepted by organizations with more or less certainty, according to criteria defined by justice, solidarity, and thoughtfulness.

At other times, SR is expanded beyond interpersonal relations to encompass a set of general responsibilities in which society plays a more important role; SR formulates its demands and expectations, identifies the rights that support those demands, and establishes pressure mechanisms to uphold them and to transfer responsibility for their realization to the organization.

As a result, SRs demand that organizations be held accountable for their actions. This model is a natural continuation of the previous model insofar as society identifies its needs and ethical rights. Furthermore, it adds a social dimension to what was previously a very private relationship.

Managers Position in SR

In postmodern societies, the list of rights and, with them, the list of types of SR has grown considerably longer; the foundations of SR have become less ethical and include mechanisms of negotiation and manipulation by interest groups and corporations. This changes the binding basis of SR and can create instability in the relationship between companies and stakeholder groups. The objective of achieving a fair and efficient relationship - where both parties find common ground - gives way to the possibility of consequentialist conflicts, in which stakeholders seek to obtain the maximum possible rents from the company, while the company seeks to protect itself and preserve its advantage. Sometimes the goal is to turn SR into a set of regulations aimed at exploitation and control, administered by a group of stakeholders rather than the state. All of these options are currently the subject of academic debate and practitioner implementation and criticism. As already noted, SR is not a univocal concept applicable to all organizations in all situations and at all points in time. There are several reasons for this: there is no single conception of a company or organization; the issues to be addressed are different in each case; anthropological, sociological, political, and economic

assumptions are different; and in such issues, no one has all the necessary information, no one can predict the decision-making. Because no one can predict all outcomes, and because freedom of spontaneous action is always required, it is considered prudent to leave room for the agent to act.

The so-called business case claims that SR has a positive impact on financial results, but there is still a long way to go to prove this, and the results of empirical studies on the subject are unlikely to motivate business managers. We have already explained that for many companies, the social case (social demand) has become an exercise in cost-benefit analysis that may be useful when negotiating with stakeholder groups but does not motivate company management.

However, there are still two other reasons in favour of the full implementation of SR within an organization. The first is the case of management; SR is a management practice par excellence [10]. Socially responsible managers seek to consider all the impacts of their decisions on society, internal and external stakeholders, and the managers themselves. They seek to understand their stakeholders, their interests, their concern for the company, and their short- and long-term reactions. The manager takes a long-term view and has good risk management skills. He or she develops a culture based on dialogue and acts before problems arise.

There is an ethical theory that explains people's moral learning and how it shapes their answers. It is virtue ethics, which addresses not only the external consequences of decision-making (a company's external justification of its responsibilities), but also the improvement of people's moral qualities (management excellence from within).

There are four aspects to the demonstration of virtue [11]:

- **Cognition:** a virtuous person "correctly perceives a situation, i.e., notices and properly considers the salient features of the situation" [12]. The person grasps the ethical content of an issue on a concrete level, rather than on an abstract level through the application of certain general principles, in the present situation and for the particular people affected by it.
- **Emotion:** virtue is "the disposition to act in a particular way as well as to feel in a particular way". This dimension reinforces the previous one. The problem is not to keep the agent unmoved; rather, the agent's feelings drive him to act.
- **Motivation:** virtue is a disposition that depends on the agent's motivation; the agent is determined to act decisively in the particular situation in which he is placed, even if the chosen decision is unattractive to him [2].
- **Action:** virtuous people carry out their chosen actions because they have the willpower necessary to overcome short-term pressures and temptations to stray from the path [1].

In summary, ethical managers become better managers because they develop habits that enable them to make better decisions, both now and in the future, avoid negative learning, and, whenever possible, promote positive learning, both in themselves and in the organization and those who depend on the manager. The main reason that managers always try to act ethically and responsibly is that it means that they are striving to be good managers, and this includes moral and SR concepts such as duty, professionalism, excellence, citizenship, and ethical culture are included [13-15].

Conclusions

The concept of SR was first developed in corporations, and then became entrenched in nonprofit organizations and health care,

where it has a distinctive social purpose SR is at the interface between the organization and society. From the outside, it relates to an organization's impact on society. From the inside, SR is about the company and its role in society, and how the resulting acceptance of responsibility affects the way the company is managed [16-17].

The "responsibility" component of SR is an ethical, retrospective, prospective, and attitudinal concept that relates to SR's role in management. The "social" component originally referred to obligations arising from interpersonal relationships but has since evolved in a direction that implies a more active involvement of society in identifying problems and proposing solutions. This process risks becoming an interventionist, consequentialist, and confrontational approach, and furthermore, does not provide useful ideas for outstanding organizational management. There are two keys to this function that mutually reinforce SR. Namely, SR as a means to superior organizational management and SR as a virtue-based ethical responsibility.

References

1. Argandoña A (2014) Las virtudes en el directivo. *Impresa Progetto – Electronic Journal of Management* 3: 1-11.
2. Pérez López JA (2003) *Fundamentals of business management*. Madrid, Spain: Rialp 13.
3. Commission of the European Communities (2011) *A renewed EU strategy 2011-14 for corporate social responsibility*. Brussels, Belgium: Commission of the European Communities.
4. Elkington J (1998) *Cannibals with forks: the triple bottom line of 21st century business*. Oxford UK Capstone.
5. Devinney TM (2009) Is the socially responsible corporation a myth? The good, the bad, and the ugly of corporate social responsibility. *Academy of Management Perspectives* 23: 44-56.
6. Visser W (2010) The age of responsibility: CSR 2.0 and the new DNA of business. *Journal of Business Systems, Governance and Ethics* 5: 07-22.
7. Moore G (2003) Hives and horseshoes, Mintzberg or MacIntyre: what future for corporate social responsibility? *Business Ethics: A European Review* 12: 41-53.
8. Scanlon TM (2008) *What we owe to each other*. Cambridge, MA: Harvard University Press.
9. Vincent NA (2011) A structured taxonomy of responsibility concepts. In *Moral responsibility: beyond free will and determinism* 15-35.
10. Argandoña A (2012) The 'management case' for corporate social responsibility. In *Towards a new theory of the firm: humanizing the firm and the management profession* 251-261.
11. Alzola M (2015) Virtuous persons and virtuous actions in business ethics and organizational research. *Business Ethics Quarterly* 25: 287-318.
12. Hartman EM (2008) Socratic questions and Aristotelic answers: a virtue-based approach to business ethics. *Journal of Business Ethics* 78: 313-328.
13. Abreu R, Fátima D, Crowther D (2005) Corporate social responsibility is urgently needed in health care. *Social Responsibility Journal* 1: 225-240.
14. Alzola M (2012) The possibility of virtue. *Business Ethics Quarterly* 22: 377-404.
15. Argandoña A (2004) On ethical, social and environmental management systems. *Journal of Business Ethics* 51: 41-52.
16. Argandoña A (2016) Three ethical dimensions of the financial crisis. In *The global financial crisis and its aftermath: hidden factors in the meltdown*. New York: Oxford University Press.
17. Argandoña A (2016) Three ethical dimensions of the financial crisis. In *The global financial crisis and its aftermath: hidden factors in the meltdown*. New York: Oxford University Press.

Copyright: ©2025 Claudiu Gabriel Stan. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.