

## Corporate Business Strategy and its Challenges

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**Abstract.** Business environment and strategy faces continuous completion and impacts the business sustainability in a long-term. In a view, the business must realize the dynamic capabilities and must apply the right company strategy to survive in the global competition and achieving the desired targets. Many philosophers consider ethics to be the 'science of conduct'. Philosophers have been discussing ethics for ages now, since the time of Socrates and Plato. Many ethicists consider emerging ethical beliefs to be "state of the art" legal matters, i.e., what becomes an ethical guideline today is often translated to a law, regulation or rule tomorrow. Values which guide how we ought to behave are considered as moral values, e.g., values such as respect, honesty, fairness and responsibility. The paper examines the concepts of strategy and business ethics undertaken to improve the overall business performance.

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### 1 Introduction

The corporate business strategy follows long-term planning, objectives, optimal assignment of tasks, implementation of policies and procedures, and allocation of resources. The short term and long term objectives of the firm determines which business activity it is going to pursue now and in future. The business strategy selects the right set of activities at right time for a sustainable future of the firm. The firm can make a difference by selecting those activities in which it has a competitive advantage.

No business can survive in the long run if it does not generate the sufficient profits and adequate cash flow. A business with poor flow of funds would face difficulty in continuing its operations and might lose its market share and push its employees towards unemployment in the future. It has been argued by many scholars that CSR activities create benefits for many besides the company depending on how far the company involves itself in the social activities. Further, it can be noted that many firms may not reap the benefits of CSR activities and hence it is suggested that the firm should focus on fair competitive advantage and give that to the society at

large. The company involves in range of projects for CSR activities such that raising funds for illness, poor families, environment awareness and conservation of resources,

Business ethics and the corporate social responsibility are used interchangeably. Business ethics comprises of norms, values that a firm needs to exercise. These are behaviours that regulate a firm's activities which are beyond government control. The social responsibility however is only subcomponent of overall business ethics of a firm. In the year 1960, the social responsibility movement gained momentum with consumer awareness, public consciousness, and arises with a need of fair policy by the government of India. Every entity which is the part of the larger society has a responsibility towards fellow being and develops a sense of passion and commitment to make the world a better place to live.

Business enterprise may face various ethical dilemmas during the working of the enterprise. Some of them occur by default while others are not very prominent. Business should operate with transparency, accountability and responsibilities following social norms like providing quality and quantity of goods, paying minimum and work appropriate remuneration to the workers, indulging in activities to protect the environment, not to use child labour and judicious use of natural resources. Enterprise has choices and can take actions that affect many and hence it is their responsibility to act morally and resourcefully.

Every culture has its own ethical standards but the need for raising funds for the company is also important. There is a need to follow social norms while charging from customers and paying remuneration to the employees. Profit maximization should not be the sole objectives of the business enterprise as it may encourage them to change facts and indulge in unethical practices.

To achieve the good ethical behavior for an organization, one must ensure the underlying culture, follow social norms promote ethical values and standards. A robust CSR programme is an opportunity for the company to demonstrate their group corporate citizenship, thereby protecting the firm from business risk and financial losses. CSR can be broadly classified as:

***Environmental effort:*** Businesses are the creators of huge carbon footprints so any effort taken toward reducing the same to sustain for long-term.

***Philanthropy effort:*** Large Companies have sufficient funds and resources that could be utilized for charity and local community welfare programs. However, small companies can also do their

bit by identifying the specific NGO or charitable organization and contribute time, efforts and money that lies within their means.

***Ethical labour practices:*** Employees are the backbone of any business organization and hence it is the responsibility of the firm to treat them fairly, and ethically.

***Volunteering practices:*** Firms whether big or small may contribute towards local causes of the community by volunteering fair time and providing human resources for the efforts.

Implementing ethical conduct in CSR activities is important to efficiently work for the cause of local community alongwith the safeguard of resources for internal matters. The company needs to maintain transparency and triangulation of accounting data to check with employees working with cash transactions. This can help identify any thefts by involving more than one person. The organization can collect the biometric identities, use security cameras, surprise visit to the work, designate supervisors at various levels to check the activities of CSR. The more secure and transparent business ethics leads to better decision making and more influence of the CSR activities for the society.

## **2. Literature Review**

With the continued pace of technology growth, it has become important for the business to act dynamically face and challenges and gain from the opportunities. Business enterprises are required to mandatory set principles of social responsibilities as an objective to promote excellence for the social cause. Managers also feel that such practices can improve the standards of the organization in areas at all levels.

Husted and Allen (2006) carried out a study and suggest MNC follows similar product-market organization strategies in managing CSR activities. Primary survey analysis was conducted using a structured questionnaire to MNEs in Mexico. The study recommended implications for public policy and MNE management.

Bhattacharya et. al. (2007) in the study explained how CSR has a positive influence on the business behavior and long-term loyalty. The results show that CSR strategies can be integrated with the core business strategy and the consumer relations to reap the benefits of CSR activities.

Lamberti and Lettieri (2009) aims to explain the relations between the social responsibility and business ethics. The authors used a case analysis of Italian food corporate which deals in baby food. They focused on creating resources for CSR business practices and make full efforts to adopt.

Rangan et al. (2012) carried out a research to explain alternative framework with CSR to oversee variety of social initiatives to achieve the company's main objectives. The study suggested that the executives can play an important role to achieve the challenging task of recalibrating various programs under CSR activities and this can lead to a CSR strategy for the company.

Various researches provide in ability and applications to the significance of social norms. The studies also suggest maintaining and developing standards as need of the organizations to maintain social responsibility principles for fair price and good quality, human rights, environmental awareness etc.

### **3. BUSINESS STRATEGY AND ETHICS**

The organization cannot avoid ethical concerns in business while one can undermine in other activities of daily life. Business ethics that a firm needs are categorized as-societal, stakeholder, internal policy and personal. Business ethics involves adhering to company standards and commitments towards consumers and the other stakeholders with the aim to fair and honest policy. With continued pace of technology development, understanding the difference between right and wrong decisions for the company is very important. The increasing realization has led the professionals and managers think about the efficient business strategy keeping in view the business ethics.

The firms were following 'compliance' based approaches and create rules and system for the people and the company. It is difficult to follow rules, as they become obsolete with the time and hinder the business activities. Although, compliance is much needed at some levels, alongwith it is necessary to input ethical 'values' in to the system for the company and its employees. The firms need to develop a vision and mission about the existing strategies and for the future and must be set on the dashboard for all the stake holders connected with the organization.

Many of the stakeholders restricts and are not fully convinced with the adaptability of business ethics in the organization. But it matters, as the company can face loss in the form of

downgrading of accreditation, reputation and fall in market prices. Moreover, firms following ethical standards have gained more trust of their employees, customers, shareholders and the wider community and this surely is good for business.

#### 4. CONCLUSION:

The study concludes that business strategies are important for the companies to efficiently function and increase productivity. When the corporate sector passing through a worst time with happening of financial scams, environmental disasters and cyber crimes consistently, it is important to maintain the status and trust of their consumers and society at large. The firm needs to regain faith and continue indulging CSR activities to protect the environment, not to use child labour and judicious use of natural resources. Perhaps, with a little effort of professionals, the organizations of today can leave the world in a better shape for our children and the generations to come.

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