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Essay #4: Profit vs. Social Responsibility  
Financial Management

### Profit vs. Social Responsibility

Across the nation, major companies and businesses who are worth millions of dollars should be less concerned with shareholder values, and more concerned with social issues such as inequality and climate change. What are profits in businesses? Profits in businesses are usually shared amongst the investors that make it possible for a business to have access to the amenities they have.

The view of profits can be looked at on a pie-splitting mentality, the value of a company would either go to shareholders in the form of profits, or to the regular society as “stakeholder value”, this would be including someone’s taxes, wages, and fair prices. The only way for a company to increase profits to its shareholders’, is by lowering the chunk that society gets, leaving the middle-class and lower class with less. The only way to make this equal or fair is to lower shareholder rights as a whole. If a company took their extra profits and put them into the values of society, such as better and clear work environments, employees would be more eager to attend to work, causing more of a productive establishment to be run. Another example would be for a company to set a paid-leave policy for maternity, there would be an increased percentage on how many women who would return to work. Some solutions to this would also include employee paid vacations, mental health shutdown week, and a four day work week. Getting more involved in social, economic and environmental issues also will show that leaders care and are taking the steps to show and make a change. Social responsibility also plays a

big part because making changes each day to save money and help the environment like using less electricity and water, recycling, and using green materials are all ways as a society to help out.

If companies as a whole all thought to themselves how they can all make a difference in society by putting their excess of money into a certain issue, it would be a win-win situation for all. Companies as a whole should engage more in social responsibility with benefits to them such as when a company does well, including showing more care to society and the environment, they will receive positive feedback by the press, and their consumers. By creating more room for social responsibility in companies, it also increases customer loyalty, along with employee satisfaction. The two most important factors being their customers and employees, makes a better fit for a company to run prosperously.