

Research Paper

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Investigating the Relationship between Business Ethics and Corporate Social Responsibility: A Case Study of Internet Companies in the West of Mazandaran Province

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Abstract

The purpose of this study is to investigate the relationship between business ethics and corporate social responsibility; a case study of Internet companies in the west of Mazandaran province. The present research is applicable in terms of purpose and descriptive-survey in terms of nature and method of data collection; and is specifically based on structural equation modeling. The present research population is the customers of internet service companies in the west of Mazandaran province, estimated 100,000 people; 384 of which were considered as a sample, based on the target population and according to Morgan's table. The sampling method in this study is simple randomization., two questionnaires were used in the present study as the collection tools, including Carol's Social Responsibility Questionnaire (1979) and Petty Standard Work Ethics Questionnaire (1990). Findings showed that there is a relationship between business ethics and corporate social responsibility of a case study of Internet companies in the west of Mazandaran province. There is a relationship between attachment and interest in work and social responsibility in internet companies in the west of Mazandaran province. There is also a relationship between perseverance and seriousness in work and social responsibility in internet companies in the west of Mazandaran province. There is another relationship between healthy and humane relationships in the workplace and social responsibility in Internet companies in the west of Mazandaran province. Finally, there is a relationship between collective spirit and cooperation in work and social responsibility in internet companies in the west of Mazandaran province.

Keywords:

Work ethic,
business ethics,
social responsibility,
internet companies,
internet services

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Extended Abstract

Introduction

One of the elements in an environment with moral decadence is social responsibility, which can be presumed economically, legally, morally or religiously. In fact, it shows the commitment of organizations to maximize benefits and minimize social costs. Managers who have a long-term vision are ready to undergo the expenditure for improvement of the welfare of society, solving social problems, environmental pollution, improvement of working conditions, respect of human rights, participation in public welfare affairs, etc., to benefit from social progress through social activities in the long run, and on the other hand, to gain credibility and reputation for themselves in society and among customers and stakeholders. Social responsibility activities as extra-organizational activities and social commitment can be easily observed and judged by outsiders, while business ethics reflects the implicit and internal beliefs of companies (Taghi Zadeh & Soltani, 2018). Social responsibility and business ethics are two interrelated concepts that must be considered simultaneously when examining the impact of ethical plans on company performance. Social responsibility is also referred to as organizational citizenship and sustainable business responsibility, and reflects the position of companies towards all corporate stakeholders including corporate shareholders, the environment, consumers, employees and the general public (Darini, 2020). According to the above, the main issue of the research is the relationship between business ethics and corporate social responsibility of the case study of Internet companies in the west of Mazandaran province.

Theoretical framework

Jafari & Rezaei Fard (2021) examined the impact of business ethics and social responsibility on corporate branding. The results showed that ethics and social responsibility have direct and positive effects on the brand of companies. Corporate social responsibility is a pervasive category that includes ethics. Therefore, companies that seek to compete in global markets should, in addition to profitability, provide the ground for compliance with work ethic and fulfill their social responsibility to customers. Therefore, it is recommended to company managers; by compiling an ethical charter and continuous training of employees, provide the ground for the development of the brand in question and take steps to maintain the dignity and satisfaction of customers.

Darini (2020) examined the role of business ethics in corporate social responsibility. The results showed that in the main hypothesis, business ethics has a positive effect on corporate social responsibility, the first sub-hypothesis of business ethics has a positive effect on the economic dimension of corporate social responsibility, the second sub-hypothesis of business ethics has a positive effect in the legal dimension of corporate social responsibility, the third sub-hypothesis of business ethics has a positive effect on the ethical dimension of corporate social responsibility, and the fourth sub-hypothesis; business ethics has a positive effect on the dimension of charitable activities of corporate social responsibility. In this study, all five hypotheses were confirmed.

Ghayur et al (2019) in his article entitled the relationship between social responsibility, and moral reputation and brand equity; Analyzed the mediating role of trust. The obtained results indicate a positive relationship between social responsibility and moral reputation and brand equity. Based on the results, it can be said that customer trust as a mediating variable in relation to corporate social responsibility actions plays an increasing role on the moral reputation and brand equity; therefore, innovative measures of social responsibility should be done in a way that leads to build customer trust and enhance the ethical reputation and equity of the brand.

O.C. Ferrell et al (2019) published a paper entitled Business Ethics, Corporate Social Responsibility and Branding Approach. Findings from a 351-member panel of respondents provide new insights into customer expectations, understanding corporate social responsibility, and business ethics behavior. Based on the results, it can be said that although corporate social responsibility attitudes are important, but customers attach great importance to business ethics as a critical behavior in shaping their understanding of brand attitudes.

Methodology

The present research is an applicable research in terms of purpose and is a descriptive-survey research in terms of the method used. The present research population is the customers of internet service companies in the west of Mazandaran province. An estimated 100,000 people; According to the target population and according to Morgan's table, 384 people were considered as a sample. The sampling method in this randomization is simple. The sampling method in this study is simple randomization. Two questionnaire (Carol, 1979) and a questionnaire (Peti, 1990) were used to collect data related to the social responsibility variable.

Discussion and Results

In order to test the research hypothesis, structural equation modeling method with the help of SPSS software was used; and inferential statistics was used to test the hypotheses. Then regression was used to test the hypotheses with pls software that is confirmatory and content factor analysis as well as the effect of factors, and the results showed that business ethics index has a coefficient of 0.784, in other words, there is a connection as much as 78.4% between business ethics and corporate social responsibility of the case study of internet companies in the west of Mazandaran province; this is related to the explanation of variance related to business ethics to variable changes in social responsibility. Attachment and interest in work has a coefficient of 0.754, in other words, there is a connection as much as 75.4% between the attachment and interest in work and the social responsibility of internet companies in the west of Mazandaran province. This is related to the explanation of variance related to attachment and interest in work to variable changes in social responsibility. The index of perseverance and seriousness in work has a coefficient of 0.750, in other words, there is a relationship as much as 75% between perseverance and seriousness in work and social responsibility in Internet companies in the west of Mazandaran province. This means that the explanation of variance related to perseverance and seriousness in work is related to variable changes in social responsibility. Healthy and human relations index has a coefficient of 0.763, in other words, there is a relationship as much as 76.3% between healthy and human relations and social responsibility in Internet companies in the west of Mazandaran province; this means that the explanation of variance related to health and human relationships is related to variable changes in social responsibility. Collective spirit and participation in work has a coefficient of 0.791, in other words, there is a relationship as much as 79.1% between collective spirit an participation in work and social responsibility in Internet companies in the west of Mazandaran province; this means that the explanation of variance related to collective spirit and participation in work is related to variable changes in social responsibility.

Conclusion

The aim of this study was to investigate the relationship between business ethics and corporate social responsibility of a case study of Internet companies in the west of Mazandaran province. The results of this study are consistent with the results of O.C. Ferrell et al, (2019). In their article, entitled Business Ethics, Corporate Social Responsibility, and the

Brand Approach, they found that understanding the relative importance of business ethics and social responsibility is crucial in determining brand attitudes. (Akbari & Faham, 2016) (Kiyani, 2015) (Diyanti & Reza pour, 2015) Studies show that business ethics have an impact on corporate social responsibility. According to the present study, it is suggested that the managers of companies and organizations, by providing arrangements in the organization, hire people who are bound to the ethical principles approved by the organization and the company. Managers should take steps to promote employee ethics by holding classes and programs. The ethical charter of the organization should be explained clearly and explicitly to all employees. Managers should provide meetings for employees to comment on ethical issues. By arranging meetings and programs, Managers of organizations should remind employees of the organization's their social responsibilities to society. By showing leadership, company managers create in employees the feeling that they can freely comment and be accountable in their work. Managers of companies selling online goods and services can use effective advertising such as the use of advertising billboards, media such as television and newspapers, advertising sites or through the distribution of brochures and catalogs, promote the level of consumer awareness as they advertise their brand and remind the people the company's social responsibly, and mention what they did.