
Module Name-

Visions for the Future : Theoretical Perspectives on Management SBPD7004

Topic Name-

Corporate Social Responsibility is gaining lot of importance and priority in the Pharma Corporate. Is it really important for Business ? (Negative Perspective of CSR in Pharma)

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Executive summary

This research paper is based on the negative impact of Corporate Social Responsibility (CSR) on the pharmaceutical industries. There isn't only the positive impact of CSR on the business organizations but also the negative impact if the business organizations including the pharmaceutical industries fail in the effective planning of the CSR. Some of the negative impacts of CSR on the pharmaceutical industries are a decline in the profit rate, higher investment on training the managers and expenditure of fund on the development of society. The alternative answers are also evaluated on the basis of the reviewed research papers and the answer to the chosen question is supported by the suitable arguments.

Short Introduction

It is essential to understand the social responsibility before jumping directly into the CSR. Social responsibility is the concept of carrying out the actions in the favor of society and environment. Here, the actions refer to the diverse kinds of operations carried out by the manufacturing companies and steps carried out by each individual to sustain their lives. Thus, it is essential that there is the establishment of utmost kinship amid the individual or organization and society (Friedman, 2007). The awareness among the individual people on the impact of the society and environment by their own actions is called as ISR (Individual Social Responsibility). An ISR can aid in accomplishing the CSR (Davis, Rives and de Maya, 2017). On the other hand, CSR is different from the social responsibility or individual social responsibility. When the social responsibility is used in the businesses organization then it is termed as corporate social responsibility. CSR is also recognized by different names such as corporate responsibility, corporate accountability, corporate ethics, and corporate citizenship. Thus, there is the large number of definitions associated with different ideas of CSR. As a result, there aren't universal definitions of corporate social responsibility. So, that the definitions provided by different scholars differ from one another. It is one of the emerging ideas and it may be very hard to practice a universal definition as the actions carried out in the United States of America mayn't be considered to be socially accountable in the different nations such as the United Kingdom of the world. A business organization must be able to establish themselves as the responsible member of the society which doesn't only enhances their prestige but also can uplift the total revenue earned by an organization. For an instance, business organizations can glow the lights on the streets that have been out for several periods of time. This shows that even a small effort from organizations can make or create a huge difference. It can be defined as the amalgamation of social and environmental issues in the processes of their business and communication with their key stakeholders and shareholders. In literal term, it means the awareness among the business companies to uphold their

oaths and to execute their oaths into actions by carrying out the work in the favor of community and environment (Baker, 2018).

The business organization is completely reliable or dependent on the environment for the raw materials and these raw materials are processed in the organization to yield desirable products and services. During the processing phase, a huge amount of carbon is emitted from the black chimney of the manufacturing industries (like pharmaceutical industry) to environment and it ultimately affects both the society and organization in the form of climate change which can bring floods, landslides, and cyclone. Besides the emission of carbon, there are many other parameters also such as the production of wastes, pollution during the transportation of goods and raw materials and mixing of chemicals directly to the nearby water sources. Thus, there is the need for the practice of corporate social responsibility by different manufacturing companies including pharmaceutical industries operating in the different corners of the world. GlaxoSmithKline and Bayer Corporation are the two top pharmaceutical industries that are practicing and outlining the need for the corporate social responsibility. GlaxoSmithKline Pharmaceuticals Ltd is serving the society by carrying out the various activities such as providing the women, children and aged peoples with medicines, money, and education and different kinds of accessories are provided to the not for profit organizations to boost the well-being and education of the peoples residing in the backward society. Even though these organizations are participating and working in the benefits of the society and environment, they are facing with the crisis of the fund as a huge amount of the fund goes to research and design and marketing deeds. They must realize that the profits or revenues earned from it are short-lived and the prestige of the company and products will incline as soon as they are committed towards society and environment. However, if they fail to do so and only start thinking of own profits then the business may collapse or lost in the middle of it (Smith, 2008).

As each aspect have its own positive impacts and the negative impacts so do the corporate social responsibility. All the business organizations are established in order to make a profit and to accomplish the goals for which they were established for an

instance, Nestle and Burberry Companies. When the business organizations start following or practicing the CSR then the organizations are forced by CSR to make an attempt for reaching stakeholders, they aren't only the stakeholders but they are the one who has a keen enthusiasm regarding the operations carried out by an organization and the desirable results i.e. goods and services yield by them. However, it ain't the responsibility of business organizations in knowing and searching for the people who have a keen enthusiasm regarding the operations of the companies. In case if there is a rise of the social conflicts or issues on the society then it isn't the responsibility of the business organizations to solve it instead it is the responsibility of government. Because of the practice of CSR by many business organizations they are facing a challenge in addressing the different kinds of issues faced by the society. Hence, they are forced to counterattack such kind of issues by the implementation of CSR on the business practice. Most of the business organizations aren't ready to tackle such kind of issues faced by the society. Thus, the only way of overcoming is to train the managers and make them proficient in handling the different kinds of obstacles faced by the society. In order to provide such kind of skills and knowledge to the managers, the business organizations are spending a huge amount of dollars from the budget of the companies.

They are spending a part of their fund in such kind of activities i.e. it is clearly a cost to the business. When the business organizations attempt to manage the extra cost added on the business then there are the higher chances that the business will drop its advantageous spot that it had in the market which is completely out of favor of business organizations.

From the above arguments, it can be said that the business organizations are facing a huge amount of loss as the business organizations aren't established for the purpose of solving the societal issues and most of them aren't well prepared in tackling such kind of situations. Hence, it recommends that the business organizations should be assigned with the responsibility of production of goods and services that are of optimum quality and are within the reach of every client.

Aims

The main aim of this research is to find out the dominance of negative impact of CSR on pharmaceutical industries over its positive impact. In order to support it, different arguments will be provided in virtue of literature review and supportive facts.

Objectives

The objectives of this research are being enlisted as below;

- ❖ To identify the negative impact of the CSR on the pharmaceutical industry.
- ❖ To determine the other probable answer to the research questions.

Statement of Question

Corporate Social Responsibility (CSR) has a positive impact and negative impact on the business organizations at the same period of time. The effects of these impacts are applicable to all the industries not only the pharmaceutical industry. This research is based on the topic of “Negative impact of CSR on the pharmaceutical industry.”

Does CSR possess a negative impact on the pharmaceutical industry?

Alternative answers

The alternative answers to the given statement of question are highlighted in the following points which are enlisted as below;

- ❖ CSR possess a negative impact on the pharmaceutical industry.
- ❖ CSR doesn't possess a negative impact on the pharmaceutical industry.
- ❖ CSR possess both the negative and positive impact on the pharmaceutical industry.

Literature review

CSR on the pharmaceutical industry

In the 21st century, the pharmaceutical industries are one of the most appreciated and at the same time, most condemning of all. This industry is being appreciated for the manufacture of the drugs that are able to heal lethal diseases and condemn for being unable to provide the drugs within the range of every people. The CSR practiced or implemented in the business organizations are completely different from the CSR practiced on the pharmaceutical industries as these industries are related to the production, research and design and distributions of the drugs which can make a significant difference in the battle of life and death of the human beings. The key stakeholder of the pharmaceutical industry is regularly pressurizing the industry to produce and deliver the pharmaceuticals and medicine associated goods and services, which can be produced by spending a lesser amount of fund. Even in the production of the drugs, the pharmaceutical industry is seeking the profits; as a result, most of the less affluent people are deprived of it (Nussbaum, 2009). In order to make sure that the less affluent people aren't deprived of the drugs, huge pharmaceutical industries have been under stress to abandon the intellectual property rights. With this step, the cost of the drugs would be reduced i.e. drugs can be reached in the hands of poor people (Leisinger, 2009). Thus, there shouldn't be such type of biases in the name of wealth as each people are provided with the right to medication by the government of each nation. The pharmaceutical industry is established to serve the people by producing and developing the necessary drugs. This shows that this industry is closely related to the society and environment. The kinship with the environment is in terms of the use of the environmental resources such as medicinal plants to produce drugs. To counterattack and nullify the spread of so many epidemic diseases, there are many pharmaceutical industries established throughout the world. However, even with the establishment of

many pharmaceutical industries the drugs aren't reaching to all the people having diverse economic status instead the production of the drugs are still comparatively low than the actual demand is. The reason behind it can be the motive of seeking the profits. Due to the practice of such kind of unethical activities, this industry is constantly losing its prestige in the society. This argument is supported by the poll that has been carried out in the United States of America. The outcome of the poll shows that among all the industry, the pharmaceutical industry is the one in which there is the maximum practice of unethical activities. In context to a Harris Poll study, there are only few US people i.e. about 9% who consider that pharmaceutical and biotechnology industries give more importance to the patients above profits. Similarly, only 23% of US grownups consider that health care institutes such as nursing homes and hospitals give more priority to patients above the profits whereas 36% of US grownups consider that health professionals such as doctors and nurses give more priority to patients above the profits (Kessel, 2014). Thus, there is the need of the practice of corporate social responsibility by the pharmaceutical industries so that they are able to re-establish themselves as one of the trustworthy industries and mend the fracture kinship with the society.

Today in the 21st century, the pharmaceutical industry is currently being faced with tough challenges. So, that it is essential that the managers of these industries act sensibly to the society as they are the ones to buy the products i.e. drugs from the pharmaceutical industry and there are a lot of challenges with full of risks while carrying out the testing of the drugs. Even though with the implication of the corporate social responsibility in different kinds of business organizations, breaches of the CSR standards by the pharmaceutical industries can be costlier and catastrophic as compared to the other business organizations (Brenna, 2005). To maintain and foster the kinship with the people of the society, the pharmaceutical industry is to produce or develop the drugs which are within the range of the people as this is one of the corporate responsibilities of this industry. Further, they can be more responsible towards the society by providing the drugs at the lower rate of prices for the people with lower income rate (Kola and Landis, 2004). In today era, most of the reputed

pharmaceutical industries are working in collaboration with diverse NGOs (Non-government organizations) and INGOs (International Non-government organizations) to extend their hands in different parts of the world by establishing the pharmaceutical industries or by distributing the drugs which aren't easily available in the remote places of the world. For an example, in 2010 the CEO (Chief Executive Officer) of GlaxoSmithKline Pharmaceuticals Ltd was honored with the Individual Leader of the Year by the Ethical Corporation Responsible Business Summit. The CEO (Witty Andrew) had carried out an important step i.e. to lower the charges of the medicines by 75 percent in the least developed nations of the world as compared to the developed nations and at the same time contributing the 20 percent of its overall benefits in constructing the healthcare buildings in the least developed nations. Beside it, Merck has distributed the medicines that were capable of curing cervical cancer to Rwanda. These drugs were distributed without any charges for the duration of three years. After the completion of lapse of time, same drugs were distributed in the lower range of prices (Parkhurst and Vulimiri, 2013). These are some of the steps carried out by the pharmaceutical industry practicing the CSR. Despite the involvement of pharmaceutical industries in the CSR related events, these industries are still facing a huge censure for being unable to manage its social responsibilities.

Calumnies in the pharmaceutical industry

There are no any pharmaceutical industries that are able of taking the risks in the health of the public people. Even a small error could prove to be deadly. However, when such kind of errors occurs then the impact of it is always negative. No, any pharmaceutical industries want to be in such kind of situations. With this kind of scandals, the pharmaceutical industry doesn't only lose their status but also decline their own market values. With the promotional, the clients are able to know about the pharmaceutical industries. However, wicked promotional aren't in the favor of the pharmaceutical industries; as a result, most of the pharmaceutical industries want to stay out of it

(Caudill, Lurie and Rich, 1992). Despite it, there are several incidents regarding the scandals in the pharmaceutical industry.

In 2012, GlaxoSmithKline pharmaceutical Ltd was accused of fostering the Welbutrin and Paxil for the unlawful uses. In the same time, they were also unsuccessful in outlining the safety data regarding the diabetes medicine to the Food and Drug Administration (FDA). This industry had accepted its faults and had agreed to pay \$3 billion. It is reported to be one of the greatest scandals in the history of the United Kingdom. They were also charged with the bad promotional of more than half-dozen of medicines. However, pundits believe that these kinds of sentences aren't enough to discourage the drug companies from carrying out such kind of unapproved deeds. The company has announced that they will be paying the penalties through their capitals. The CEO of GSK has made a statement that they had amended their marketing strategy and selling of the drugs. He further mentioned that there is no any kind of adore towards staffs that were found to be guilty of misdeed (Thomas and Schmidt, 2012).

Pharmaceutical industries aren't only accused of bad promoting. In 1996, Pfizer's clinical was undergone the hearing in Nigeria. This pharmaceutical industry was accused of using an unlawful medicine on infants suffering from the brain related infections. The hearing was carried out by the Nigerian medical veterans and this was no longer an accusation as it was verified by the veterans (Stephens, 2006).

CSR theories

The different CSR theories are being enlisted as below;

The stakeholder theory

According to this theory, each and every business organizations identify their own key stakeholder and evaluates the influence that arises from the day to day operation of the business on each stakeholder. The key stakeholders of the business organizations are shareholders, consumers, creditors, staffs, government, suppliers, unions, and society.

They are the crucial members of the business organizations as with the participation, knowledge, skills, talent, and devotion the business organizations are able to accomplish their own business goals and objectives. This theory was created by the Edward Freeman along with the aid of the other researchers. This theory gives more priority to the unit that has been impacted by the business operations. For an example, during the production process, there is the release of toxic chemicals in the air and this is on the shoulder of the business organizations to handle it efficiently and effectively. However, in the light of this theory, the units that are being hampered by the emission of toxic chemicals in the air are taken into the perspectives. Any kind of decision made by the businesses organizations are influenced by the activities carried out by their key stakeholder. This kind of activity can be in the form of raised voice (Donaldson and Preston, 1995).

Business ethics theory

The diverse aspects covered by the business ethics are sets of moral principles and decision making process, problems faced by the governance and different kinds of rules and regulations practiced by the business organizations. This theory is based on the commitment towards the fulfillment of the social responsibility and the moral obligation that the business organization has. This theory explains the corporate social responsibility on three diverse fields and each of these fields are interconnected ethical grounds. Fluctuating and evolving social receptiveness, endless or intrinsic ethical norms and corporate citizenship are the three interconnected ethical grounds. The business ethics theory takes the Corporate Social Responsibility as philanthropic and ethical obligations in preference of legal and economic obligations (Beauchamp, Bowie and Arnold, 2004).

Shareholder value theory

The shareholder value theory of corporate social responsibility is an interpretation proposed by the Laureate Milton Friedman in 1970. Laureate Milton Friedman claims that the social obligation of the business organizations is to earn the profits while

practicing the current law values and norms. Hayek is the neoclassical economists who had proclaimed that the business organizations are established with the motive of carrying out the business which aids in the development of the community and uplifting the financial situation of society and the nation in overall. However, he argues that the functions carried out by the business organization shouldn't be in illusion with the functions carried out by the non-profit business organizations and the governments of the nations. With this kind of illusion the resources that are distributed within the free environment won't be effective (Garriga, and Melé, 2004).

Definitions of CSR

The term Corporate Social Responsibility became popular and has gained a lot of attractions from the last decade. This has become one of the vital parts of the today's businesses organizations. The businesses organizations that are operating in present doesn't only carry out its operations on the motive of accomplishment of the higher margin of profits but also realize that they have a vital role in contributing the development of the society. Hence, there is the necessity that the businesses organizations are liable towards their stakeholders and the environment in which they operate. Because of the fluctuation in the political, social, and economic conditions of the nation, there are many cases of the debates in the CSR. The practice and the acceptance of the Corporate Social Responsibility in the businesses organizations have started from the last three decades, but the only inadequate accord has appeared about what the CSR actually means. It is really hard to go for only one definition of the Corporate Social Responsibility as there is no any universal definition of it and even though if there is the definition, it isn't accepted universally. Thus, the definitions provided by the different scholars are in terms of different perspectives.

The pioneer definitions of the Corporate Social Responsibility can be found in the book of "Social Responsibilities of the Businessman." The author of this book is Howard Bowen and it was published in the year of 1953. According to the Bowen (2013), Corporate Social Responsibility is defined as "an obligation to pursue those policies, to make those decisions, or to follow those line of action that is desirable in terms of the

objectives and values of our society.” The definitions given by the Bowen is the outdated one in the present time as there have been many alterations in the terminology of the social obligations business organizations to CSR. In the present or current time, the theories of CSR comprises of diverse fields of ideas, tactics, and terminologies.

According to the Buhmann (2006), the Corporate Social Responsibility is defined as “doing more than what is required by the law.” Similarly according to Carroll (2004), defines the CSR as “the social responsibility of businesses encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time.”

The CSR model of the Carroll can be further elaborated. This model is accepted throughout the globe and it is used in the application of evaluating the Corporate Social Responsibility. It is elaborated in the following headings which are being enlisted as below;

Economic obligation

This responsibility is the foundation for rest of the layers of the model. In each and every business organizations, shareholders are the chief sponsors of the funds of the business and to make sure that the investment of the shareholders are returned by the specific period of time there is the need of profit to be earned by the business organizations. With this profit, the business organizations are able to keep their obligations towards their shareholders, staffs, and clients. In order to make sure that there are the fewer chances of employee turnover, the business organizations must be able to provide the better incentives to their employees and at the same time they must be able to meet the needs, wants, and demands of the clients by yielding the quality products and services which are in the reasonable range of prices. The profits can be earned by making an effective strategic decision, minimizing the production rates, and maximizing the sales rate.

Legal obligation

There is the presence of different kinds of rules and regulations in the society. So, that is essential that the business organizations obey with it in order to convert their dreams into actions i.e. to meet their goals and objectives. Beside it, they must obey the laws and regulations of the nations in which they are operating to ensure that there won't be any kind of hurdles in the operation of the business organizations. The laws and regulations of the nations can be paying the taxes, and the produced goods and services meet the minimum criteria of health and safety.

Ethical obligation

This responsibility is closely related to the legal responsibility. According to this obligation, the businesses organizations must keep on doing the precise and unbiased things even though they aren't forced by the government laws and regulations. There isn't the requirement of this obligation for the businesses organizations but it is required by the society. Because of it, this responsibility is diverse from the above two obligations. When the businesses organizations are practicing this responsibility then they take into the account of all the norms, values and the standards that are practiced in the society.

Philanthropic obligation

In the context to the pyramid of the Carroll, this is the top most level of the pyramid. The main goal of this obligation is to be a responsible business organization native and to uplift the standard of the people living in the community. An example of this obligation can be providing the fund in the events organized by the members of the community and participating in the event(s). This kind of responsibility is suitable for the society (Carroll, A.B., 1999).

Main Argument

Argument on negative impact of CSR on pharmaceutical industry

After going through different kinds of published research articles it can be said that there is also the negative impact of CSR on pharmaceutical industry aside from the positive impact of it. AstraZeneca is the pharmaceutical industry located in the United Kingdom. This pharmaceutical industry has also practiced the CSR; as a result, there is the need for extra personnel in maintaining and managing the CSR initiatives. Thus, there is the expenditure of a certain amount of money in recruiting or hiring the required personnel and this sum of money comes from the pockets of shareholders. This clearly shows that there is the huge amount of cost required for handling the CSR initiatives and it hampers the profits earned by the shareholders. The consequence is that the shareholders might be demotivated to provide the capital to the pharmaceutical industries which hamper the smooth operation of the business organization (Arvidsson and Klaesson, 2013). This argument is supported by the other business organizations such as Nestle. Nestle is one of the popular food company in the UK which is also spending a huge amount of fund in the practice of Corporate Social Responsibility. Shareholders are providing the funds to the pharmaceutical industries or other business organizations in the motive of earning the profits. The business companies should give more priority to the value of the shareholders and they must be able to cut off any kind of spending to make sure that their shareholders are happy. However, with the expenses in the recruiting phase of personnel in handling CSR initiatives and participating in the social events can only increase the expenses of the company. This isn't what the shareholders expected from the business companies (Nestle, 2018).

With the practice of CSR the AstraZeneca isn't wasting its money but also the managers of this company are distracted from the job that they were hired for. They are distracted by the different kinds of societal issues and the requirement of the

participation of the managers in different functions organized by the society. The consequence is that they aren't able to give proper time neither the focus to the company. This has significantly hindered the marketing sales and the production of the drugs of the company. To handle the societal issues and to interpret the people of the society, AstraZeneca is expensing a huge amount of money in training their managers (Crouch and Maclean, 2011). This argument is supported by the Unilever PLC of the United Kingdom. This business organization is contributing a huge amount of fund in the development of the society. This organization is also marching hand in hand or moving together with the people of the society to make sure that the people i.e. consumers are happy and are always in touch with the business organization. In order to know the perspectives of their consumers, this organization is also expensing heavily in training their managers. This has affected the Unilever in their business due to the lack of proper attention of managers in the business. This has increased the trends of the managers being more focus on the society rather than on the business of the organization (Unilever, 2018).

AstraZeneca is carrying out the unethical approaches despite practicing the CSR. This shows that they are only showing the society that they are practicing the CSR in words, not in actions. The people of the society have started assuming that whatever they are doing for the society is only the cover for hiding their black deeds. In 2010, AstraZeneca was accused of selling the unapproved drug i.e. Seroquel to infants and grown-ups patients. This drug wasn't permitted for sale by the Food and Drug Administration (FDA). Later on, this hearing was closed as AstraZeneca agreed to pay the sum of \$520 million to the federal government (Khan and Thomas, 2010). This argument is supported by the unethical activities carried out by Nestle. Nestle is one of the popular food and drink factory that has provided the opportunity for employment to hundreds of people throughout the world. This business company is proud of itself regarding the employment provided it. However, in this business organization, there has been used of underage children in the supply chain of Nestle. This clearly shows that this organization is practicing the unethical issues in the name of CSR. This organization

has sworn that they won't be using the underage children in its supply chain. Despite it, this organization hasn't been able to keep its word as the new study carried out by the Fair Labor Association (FLA) has revealed that out of 260 farms visited in the Ivory Coast there has been the use of 56 and 27 children under the age of 18 and 15 respectively (Clarke, 2015).

Evaluation of alternative answers

There were three answers to the research questions of this research paper. Among them, one was chosen or selected and this answer was justified with the suitable arguments. The chosen answer was the CSR possess a negative impact on the pharmaceutical industries. The remaining two answers were "CSR doesn't possess a negative impact on the pharmaceutical industries" and "CSR possesses both the negative and positive impact on the pharmaceutical industry." These two answers weren't chosen in this research paper. Before evaluating the alternative answers of this research paper, throughout research was carried out in the title of the positive and negative impact of CSR on the pharmaceutical industries. When going through the different kinds of published articles it has been found that most of the published articles were focusing more on the positive impact of the CSR on pharmaceutical industry rather than the negative impact of the CSR on the pharmaceutical industry.

Even though with the practice of CSR in the pharmaceutical industries and the other business organizations, most of the pharmaceutical industries and other business organizations were involved in the unethical activities. This doesn't make sense as they were practicing the CSR then there was no need of doing or carrying out such kind of unethical deeds. This simply shows that they were covering their tracks and carrying out this kind of deeds back of the society. If these kinds of issues come into the light then all the scandals or the unethical deeds carried out by the business organizations will be acknowledged by the people of the society. The consequences are that it destroys all the prestige that a business organization had earned throughout its year of establishment, declines the sales rate of the business company and the shareholder might stop from providing the necessary funds for the smooth operation of the business

organization. Similarly, most of the pharmaceutical industry is expending excessively in the development of the society and are distributing the free drugs to the people. As a result, if the pharmaceutical industries aren't able to provide the necessary profits to the shareholders then they might cut off the funds that are being provided. This shows that the CSR do pose a negative impact on the pharmaceutical industries. Hence, the second answer was discarded. Similarly, the third answer outlines both the positive impact and the negative impact of CSR on the pharmaceutical industries. It is very tough to analyze the same aspect at the same lapse of time. Even though the pharmaceutical industries are thriving for the success with the implementation of CSR, there might be the negative impact of CSR on its path of success. Hence, it's tough enough to outweigh one over another; as a result, the third answer was also discarded.

Benefits

With the practice of Corporate Social Responsibility, the economics of the business organization is inclining and it has optimistic results on the organization's clients, shareholders, staffs, and stakeholders. When the business organizations are socially liable then it isn't only best for their business values but also it makes the good business feelings. When it is combined into the company's strategy then the Corporate Social Responsibility can be a dominant business device. The different kinds of benefits that can be accomplished by the business organizations are being highlighted in the following headings as below;

Improved financial performance

Once the pharmaceutical industries implement the CSR on their business then they become liable to the society and the environment in which they are working. The industries that are socially responsible have the optimistic support from the shareholders, stakeholders, clients, and suppliers. This boost their morale and the

clients will stay in touch with the products and services manufactured by the business organizations. The suppliers will be more obligate in supplying the products manufactured by the company to the market and at the same time they supply the required raw materials for the company in a required period of time. Thus, this kind of activities can foster the financial performance of the pharmaceutical industries (Robins, 2015).

Reduces the employee turnover

The pharmaceutical industries having the strong foundation of Corporate Social Responsibility are able to keep the hold of their current employees and to attract or hire the new employees. In today era, the people are keener in working the business organizations that shows greater respect towards the community and the environment and they treat all the working staffs fairly. This platform provides the pharmaceutical industries to decline the rate of turnover of employees and to accelerate the chances of hiring the young, skillful, talented, and enthusiastic employees (CSR, 2018).

Enhancement in the prestige of company

A pharmaceutical industry is able to gain the twin benefits from the practice of CSR. The first benefit is that it increases the likeness of the products and services buying by the clients. The reason behind it is the good image of the company in front of the public. The second benefit is that the different business organizations will be interested in doing the business. This further escalates the prestige of the company and in near future, the company will be known equivalently for its best products and services.

Increased in capital

The prestige of the business organization plays a crucial role in determining the sponsors who are keen in investing on the organizations. The capital is necessary for the pharmaceutical industries to ensure the smooth operation of the business. Beside it, the sponsors are spending heavily on the industries that are practicing the CSR in their

business. The chances of receiving the funds from the foreign sponsors are also increased.

Optimistic promotional

The chance of occurrence of any kind of scandals decreases with the practice or implementation of Corporate Social Responsibility in the pharmaceutical industry. This can lead to the optimistic promotional of the organizations and the products or services manufactured by it. The practice of CSR can also act as the medium of the promotion of the products and the business as a whole. It creates the positive impression on the mind of the clients so that they won't mind paying a bit extra for the products manufactured by the company practicing the CSR as compared to the pharmaceutical industry not practicing it.

Creation of the clean environment

When the pharmaceutical industries practice the CSR then there may be the investment by the organization in the greenery environment CSR event. This kind of event makes sure that the operation carried out by the business organization is environment friendly. With the investment in the renewable sources of energy, the production cost of the business organization is reduced and at the same time, it helps in creating the cleaner society (Drews, 2010).

Decline in the production rate

The practice of the CSR on the pharmaceutical industries enhances the chances of procuring the skilled and talented employees. Their skill and talented can be used in declining the production cost. Similarly, with the use of renewable source of energy over the fossil fuels can also decline the production rate.

Enhances the consumers loyalty

The consumers are the one who are buying the goods and services manufactured by the pharmaceutical industries. In order to satisfy the consumers needs, wants, and demands and to increase their loyalty towards the business organizations, the business

organizations must make a contribution to the society. This makes the consumers feel that the organizations are doing something for the development of the society and environment aside from producing the goods. Hence, they return this favor by buying their products and becoming more loyal towards the business organizations (Weber, 2008).

Recommendation

It has been found out that the CSR doesn't only bring out the positive impact on the business organizations but also bring out the negative impact on the business organizations. Even though the negative impact of CSR demotivates the business organizations it also creates the chances of opportunity to recover from such kind of impacts. For an instance, the business organizations must prevent from carrying out bad deeds so that there won't be any chance of negative impact on it even practicing the CSR. The organization must avoid from spending excessively in the name of contribution to the society.

As indicated by the rationale of the "triple bottom line" (Elkington, 1994; Henriques and Richardson, 2004; Colbert and Kurucz, 2007) the announcement and the sharing of qualities situated to capable and supportability vision speak to the conditions for the practices' coordination and institutionalization, social legacy for the organization's prosperity. Culture rises as a key factor driving the improvement of viable morals. The disguise of qualities and standards shared by the best administration and the association encourages the right execution of administration forms, advances the reception of a successful and effective administration approach, encourages the production of positive relations between the organization and its partners and the hazard control (Knox and Maklan, 2004; Salvioni, 2010; Gandini et al., 2014).

The structure of the pharmaceutical business is an essential factor here as Patents assume an imperative part in this industry. Patent permit firms a time of above-ordinary profits for an in fact and economically effective item; this period at that point ought to invigorate assist venture and development . Such a framework blocks focused

impersonation of an imagined item , yet additionally causes a concentrated showcasing exertion amid the first couple of years an item is available . All things considered, these are the years most cash can be earned by the patent holder as licenses permit them an arrangement of select rights for a restricted time frame. This plan of action adds to an expanded dependence on advertising.

Conclusion

In conclusion, Corporate Social responsibility (CSR) is one of the emerging topics in the business organizations. Most of the business organizations including the pharmaceutical industries are practicing the CSR. Even though they are able to attract the consumers towards their product, retain their existing employees and recruit talented staffs and increase their prestige, they also have the higher chances of losing their prestige and employees turnover with the practice of unethical activities. From the different kinds of reviewed research articles and the discussion made above if the CSR isn't practice in the ethical ways then there is the negative impact of it. For an instance, AstraZeneca is the prestigious pharmaceutical company in the UK and with the sale of unlawful drugs it has destroys its own image in front of the people. This highlights the improper implementation of CSR.

Pharmaceuticals product recalls can be a costly exercise to a firm because they often entail replacing the recalled product or paying for damages caused in use. Pan Pharmaceuticals Limited in 2002 commenced a worldwide recall which cost the Australian and New Zealand healthcare industries between AU\$300–AU\$500 million. More recently, in the litigation resulting from the 2004 withdrawal of the Vioxx painkiller manufactured by Merck & Co Inc. in the U.S., the Wall Street Journal reported that the jury awarded US\$9 million in punitive damages and US\$4.5 million in compensatory damages to a man who suffered a heart attack while taking the drug.

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