

Determinant Factors of the Organizations' Involvement in Social Responsibility Programs¹

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Abstract

The involvement in social responsibility programs became a current practice at the organizations' level, determined by the necessity of an approach orientated on competition and performance. The social responsibility of actions diversity imposes an approach in stages that has to correlate the organization's interests with those of the civil society. The present paper highlights the determinant factors ensemble of the implication in social responsibility actions as well as the main difficulties that might interfere at such an initiative's level. The paper's conclusions are founded on the basis of a comparative analysis of the results registered at some companies' level with experience in social responsibility, both in some complex projects' plan and in the one of reporting according to the international standards.

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Introduction

In a society of people interested in more than financial prosperity, corporate social responsibility is an obstacle and can apparently even taboo for some organizations. However, this concept is studied in detail; open a wide range of opportunities for all parties involved in social and economic activities.

Lately, the society offers a high level of trust to those organizations which effectively engage in social activities. Social responsibility to employees and their families, the disabled, environment, culture, education, brings many benefits, and through such cooperation can change the overall picture of a country.

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Corporate social responsibility as a subject of scientific interest requires an interdisciplinary approach, where the economic aspects of origin (related to business and maximize their profits) are interwoven with the specific moral philosophy (with emphasis on social responsibility). The diversity of perspectives associated with corporate social responsibility literature, is based precisely on the combination, in different proportions, both economic and moral elements, the conduct of a pragmatic reasoning and ethical rationales.

1. Analysis of the concept of social responsibility and motivation to implement

In recent years, corporate social responsibility was claimed as a new form of governance in the business, being recognized in a global context and with the international standards established by the United Nations, lines of conduct developed by the Organization for Economic Cooperation and Development and conventions of International Labor Organization. Particularly through, the strong social policy and the objectives proposed in the Lisbon Strategy, the European Union pays special attention to conceptual development and practical implementation of corporate social responsibility.

Thus, the European Forum on Corporate Social Responsibility Issues in Europe, founded on the initiative of the European Commission defines corporate social responsibility as "a concept where companies integrate, on a voluntary, social and environmental aspects in their business operations and interactions them with stakeholders." (*Commission European, 2006*)

In view of the Organization for Economic Cooperation and Development (OECD), CSR is represented with the "many actions by companies to strengthen their working relations with companies" (*BDA, 2006*) and American Organization Business for Social Responsibility (BSR) consider social responsibility of one companies as "whether or exceeded consistently, the expectations of ethical, legal and commercial that the company has it." (*OECD, 2005*)

The basic premise of the beginning of corporate social responsibility is that profits, people and the environment can be harmonized into a strategic corporate approach, so that company can became economically viable, socially responsible and attentive to environmental aspects. (*Iamandi & Filip, 2008*)

In terms of evolution of the concept, it has identified a number of perspectives that society has assigned responsibilities, in connection with a business organization. Corporate social responsibility cover the entire range of social obligations that their business organizations to society as a whole: economic responsibility, legal, ethical and discretionary:

A. Economic responsibilities - are the most important obligations of order office of a business organization, which underlie the other three categories. Any organization has the primary responsibility to produce goods and services required by society and sell them at a profit (acceptable). Profit is a means an end of existence and effective functioning of a company. Economic responsibility has aims to create jobs and generate economic growth. Economic components of

corporate social responsibility are targeted for the purposes of maximizing yields, yielding a higher profit, maintaining a favorable market position and maintaining a high level of operational efficiency.

B. Legal responsibilities - are directly related to the economic and societal expectations and reflect the performance of the company's base activities, within a framework governed by law, rules and clear. Legal components of corporate social responsibility are considering legal action as required by the government: respect for the various local regulations and national legal obligations order to achieve success, providing goods and services that meet minimum legal requirements.

C. Ethical responsibilities - the organization targeting those activities and practices expected or prohibited by society members, even if they are not regulated under the laws. Ethical components of CSR may be differentiated in relation to social norms and, as follows: recognition of and respect for all moral valence system, prevent the compromise of ethical standards in carrying out of a economic activities, recognition of integrity and ethical behavior.

D. Responsibilities discretionary - are those obligations on which the company has outlined a clear idea, they are left to organizations, but expect the financial and human resources to contribute to community development and improve quality of life. Roles that companies must assume are purely voluntary and their decision-taking is guided only by the desire of organizations to become involved in social issues that are not dictated by economic reasons, are not required by law, and even companies are not required ethically.

Discretionary components of corporate social responsibility activities can be targeted in accordance with the expectations of order philanthropic contributions to the arts; implications for managers and employees in voluntary and charitable activities in the community, educational institutions levels assistance , public and private contributions voluntary contributions to development projects which lead to improved quality of life. (*Carroll, 1989*)

2. Reasons for the involvement of business involvement in CSR activities

CSR has to consider a system of good arguments that support the scope of activities. In all research conducted by the authors reasons most recognized specialists in the field are:

➤ **Pragmatic or rational reason**, found in the literature devoted to business ethics and selfishness as the "enlightened" corporate. This is the reason behind the most powerful social behavior: assume the responsibilities of organizations increasingly growing and is actively involved in social projects to win in terms of image and enhance long-term profits. Socially responsible actions originator induce a competitive advantage and reflects an advantage situation both for society as a whole. (*Carroll, 1989; Zait, 2002*)

➤ **Ethics reason** (the organization feels compelled to engage in CSR). The Kantian origins literature assumes that businesses have a moral duty to society

and to the community in which it operates; these obligations will not be as simple as maximizing profits, but concerns for the welfare of society as a voluntary whole. The reasoning behind this argument is as follows: the company is one that allows business to exist - as economic and trade activities arising from the existence of an ex-ante social needs that must be satisfied in a fair and rational - which is why businesses have a moral duty to society, ought embodied in ethical and socially responsible behavior. (Zait, 2002)

➤ **The reason of social pressure** (the organization is forced to engage in CSR). Another reason companies are taking social responsibility is the fact that we must answer the social needs of the increasingly pronounced requirements. Society rejects the organizations that do not show responsible behavior and has certain expectations about their involvement in social issues. (Zait, 2002)

An empirical analysis of global environmental initiatives demonstrates that social organizations assume joint reasons, representing a combination of three above. Although, in general, the organizations said that their actions are responsible for social order dictated by reasons of ethics, in fact why not rational or social pressure is causing companies to continually rethink and update their social responsibility policy.

3. Experience Romania's social responsibility

So far in Romania have been identified at least two views on business ethics and social responsibility. On the one hand, there are few supporters of the idea that Romanians began to study and to teach business ethics, even if the national system is not yet compatible with the economy of developed countries. Thus, we consider that Romania seeks to incorporate features of modern Western culture in a less developed social reality which has not reached the desired standards. On the other hand, supporters of the other positions, more numerous and more logical in their arguments, believes that business ethics is absolutely necessary in Romania, because the widespread deployment of such phenomena as bureaucracy and corruption in Romanian society is one of the main inhibiting factors in the way of attaining a functioning market economy, efficient and internationally competitive.

Also, economic progress depends on continued and increased cooperation between local organizations and foreign investors, which requires familiarity with ethical codes and standards relating to Western business ethics. (Crăciun, 2003) Large transnational companies are not interested in investing in countries with regimes different from theirs; they want clear and stable rules to ensure their profits to obtain legal, perfectly in line with legislation in the countries of origin. "(Commission European, 2006) United Nations, European Union and the Organization for Economic Cooperation and Development are the three most important institutions that were involved in developing a CSR framework to define and establish indicators to be assessed in a transparent manner.

Thus, companies wishing to engage in CSR should have a common guideline through they can implement each principle and also to meet a specified

set of 10 universal principles that have been divided into four areas of interest constructed by the Global Compact, to create a partnership between the United Nations and companies to achieve global sustainable development, as shown in Table 1.

Global Compact Principles for CSR guide

Table 1

Field of Interest	Businesses should:
Human Rights	support and respect the protection of internationally proclaimed human rights
	make sure that they are not complicit in human rights abuses
Labor standards	uphold the freedom of association and the effective recognition of the right to collective bargaining
	the elimination of all forms of forced and compulsory labor
	the effective abolition of child labor
	the elimination of discrimination in respect of employment and occupation
Environment	support a precautionary approach to environmental challenges
	undertake initiatives to promote greater environmental responsibility
	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.

data from Global Policy Forum Europe, Whose Partnership for whose development? (Global Policy Forum Europe, 2007)

This framework has been accompanied by recommendations and principles to guide states and local authorities in the formulation of public policies to promote ensure transparency and support initiatives CSR.

At present, to demonstrate that it is "socially responsible", an organization must understand, implement and promote the principles of social responsibility internationally, but in the same time to report periodically on the application of these principles in its activities.

Then we proposed to establish a comparative analysis for three major companies in Romania, directly involved in activities associated with social responsibility. The common element being considered for the selection of three firms analyzed in this article, is that they are multinational companies and a strong economic impact, environmental and social, come from three different industries: oil and gas, telephone and field banking, namely: OMV, Orange, BRD Groupe Société Générale.

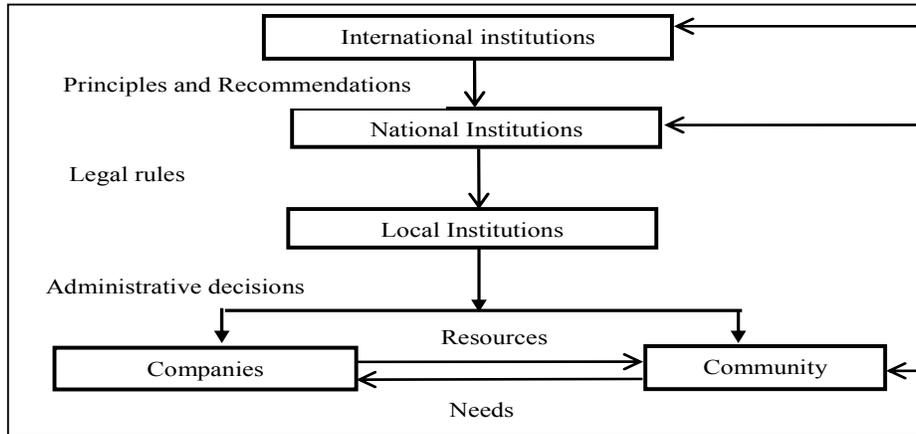


Figure 1 Transparency in the CSR

(Figure adapted from CSR resources to form a guide for all organizations involved in CSR)(CSR Europe, 2009)

Comparative Analysis

Table 2

	OMV	Orage	BRD
Areas of involvement in social responsibility (common points)	Education	Education	Education
	Environment	Environment	Culture
	Social	Social	Environment
	Sports		Social
Points differentiation (field work)	Market leader in fuel production and distribution, providing the full range of services in the oil industry in the extraction and production of oil and natural gas, import and transportation of natural gas, processing and marketing, chemicals and plastics	One of the largest communications companies in the world	A second bank in Romania, in size, with an average market share of 20%.
Advantages	<ul style="list-style-type: none"> ▪ Improved products and / or production processes that ensure greater customer satisfaction and loyalty; ▪ Increase employee motivation and loyalty, which leads to a greater degree of creativity and innovation - due to better promotion winning prize and / or advertising; ▪ Better market positioning and better relationships with business 		

	partners and authorities, including better access to public funds due to better company image; <ul style="list-style-type: none"> ▪ Reducing costs and increasing profitability due to a more efficient deployment of human resources and production; ▪ Increased turnover / sales due to the competitive advantage derived from the above. 		
Direct Benefits	<ul style="list-style-type: none"> ▪ reputation management ▪ identifying risk situations and conflict management ▪ recruitment staff ▪ motivation and his loyalty ▪ investor relations and access to capital ▪ learning and innovation ▪ competitiveness and market position ▪ operational efficiency 		
Medium and long term prospects	Optimal working environment where employees can transform the objectives into concrete actions	Making formal and informal education projects after school	Projects designed to protect nature and clean environment
	Transparency and clarity in decision-making process.	Motivating, attracting and retaining talent in the company	Employee involvement in support of causes related to education of disadvantaged children and talented.
	Informing managers on operational activity regularly giving optimum infrastructure to exchange experiences on key issues.	Non-governmental organizations and associations: community development.	Festivals national / international and traditional events, concerts of classical music, guitar, etc.

(Adapted from sources: (OMV, 2006) and (Orange, 2009))

As can be seen from the above analysis that companies engage in CSR activities and also enjoy many benefits by helping social projects. We can rightly say that engaging in CSR campaign helps improve brand image and that company then automatically appears beneficial effect on their employees who are directly involved in CSR projects.

4. Identification of determinants stimulators and inhibitors factors of social responsibility programs in Romania

The impact of social responsibility over the organizations activities constitutes a potential answer for a series of pressures and actions of different involved entities, as it follows:

a. pressures from the local or central and international authorities, which become more and more interested in social responsibility issue and accept that, through it, a series of major problems of the society can be solved.

b. pressures from the part of investors which complete the system of substantiation the investments decisions with information and criterions of social responsibilities related to: assurance the involvement in concrete actions, respect the sustainable development, respect the reporting method.

c. pressures from the part of public opinion, customers who become more and more informed and preoccupied by the way in which an investments project understands to be developed and be explored (*Dobrea, Ciocoiu, 2008*).

Documentation made on the basis set out issues we have identified a number of factors that attract the involvement of social responsibility programs and we presented the most important as follows: opportunities are evolving organization positive at a regional, national to the global depending on the degree of involvement and the size of the project under consideration:

➤ creating a common platform with as many stakeholders and collaboration while creating long term relationships.

➤ reduce risk and improve the company's business.

➤ the brand / product / service the company is growing considerably.

➤ promote the principles and values that the company is based activities.

➤ the company's participation in social activities become more united team and also more willing to participate in each activity, an event that is part of the company present.

➤ a company always has a special affinity for socially responsible organizations.

➤ the opportunity to attract new employees and also the elite of keeping existing ones.

➤ obtaining support from the authorities.

➤ collaboration with various community by meeting certain needs.

Based on the reasons for any organization referred appreciates that social responsibility must be one of the main pillars, thus its image will know the performance and growing. Of all the factors identified inhibitors, we selected those considered significant importance, as follows:

➤ Obligations of companies to do good can not be extended indefinitely, increasing their debt to help solve social problems could lead to inability to achieve profits or their refusal to contribute to solving these social problems.

➤ The shareholders will be deprived of some of the profits which will be assigned by managers of their own choice.

➤ The relationship between ethics and business must be a realistic: after all, the ultimate scope of business is making profit, even if it must also meet additional social and moral obligations. Increased social responsibility of

companies confuse social obligations discretionary actions, freely entered into by the company. Businesses not have a moral responsibility to do well.

➤ When companies fulfill their social responsibility maximal, there is a moral authority to define the criteria for moral law. Managers accustomed to management decisions - based on economic and financial criteria will be in a position to make ethical decisions - based on moral considerations. Thus, businesses will influence social priorities, which should be left to government and elected representatives. (*Bownie, & Duska, 1990*)

Factors that inhibit social responsibility represent an impediment to the realization of projects with sustainable development. Each organization's objective is to make a profit, so from this point of view, many have a strong justification for their non-involvement in social life, but from another perspective, any company with a clear vision of economic and financial market may reach easily conclude that investment in social projects is a long-term profit, and especially new clients for your product / service.

Conclusions

Identification of factors specific to the research and documentation activities showed that the involvement of the social responsibility projects in Romania is very important and knows many advantages for all parties involved.

Adoption a code of ethics and social responsibility displayed in a prominent manner may represent a step towards greater competitiveness and also for the organizations involved. Shortly social responsibility will be a driving force which will render the greatest drivers of the business market in Romania and thus will be a welfare society progress.

The primary order of every firm has always been to maximize profits, as Milton Friedman believed that much discussed and published an article today, as it is considered a classic text that challenges the social role of companies. Under the provocative title "The social responsibility of business is to increase profits, Friedman rejects the idea of social responsibility companies but with time the concept of corporate social responsibility is well known and thus the vision of this concept will see new horizons what will be a new start for the market economy in Romania and especially for those directly involved in every action of this kind. In conclusion, implementing the concept of social responsibility can be an advantage for organizations already involved and an opportunity for those who were not interested in this sector. A long term vision includes a company's sustainability and responsibility towards society and adopts a proactive attitude towards the needs of others.

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