THE GENDER DIFFERENCES EFFECTS ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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Abstract

Corporate Social Responsibility (CSR) refers to company's activities through which they need to contribute to the society well-being. Companies which are socially responsible operate their business in such way stakeholders requirements are a meet as well as ethical, legal, economical and philanthropic expectations toward the society where companies operates. Moreover, businesses decisions and strategies should take into consideration and should act with more responsibility to shareholders, customers, employees, and suppliers. Company's responsibility is more than just legal and economic responsibility. Companies including CSR into their business strategies increase their competitiveness alongside other benefits. Regardless of the heated debates which have been taking place between academics, researchers, scholars, and corporate executives, CSR concept remains open to a range of definitions as well as understanding. This paper aim is to theoretically investigate how differences in gender effect on corporate social responsibility activities with impact on companies’ performance in developing countries. In order to achieve the paper aim, following the literature on CSR and research background, comprehensive research framework was developed. Despite the fact that CSR have been debated on many topics, the gender differences effects on CSR in developing countries is scarce. To fill in this gap, this paper developed a conceptual research framework that enhance the literature on CSR as regard the differences linking male and female’s orientation toward CSR activities.

Key words: corporate social responsibility (CSR), developing countries, gender differences, ethical responsibility, legal responsibility, economic responsibility

JEL Classification: M14, J16, M19, A19

1. Introduction

According to Scott (2007), CSR refers to understanding and a good management of the relationship between business activities and economy, environment and communities where the company operates. As underlined by Morrisons, CSR focus on “managing the social, ethical and environmental issues that are material to our commercial performance, through a programme of continuous improvement” (Morrisons, 2005). CSR concept is strongly related with ethical and moral issues regarding the concerns of company’s decision-making and its behavior toward stakeholders. Freeman (1984) defined stakeholders as being the company shareholders, employees, investors, competitors, customers, and government. Companies adopt CSR activities on a voluntary basis. Through CSR activities, companies develop their relationship with key stakeholders (Barnet and Solomon, 2007). CSR nowadays is also related with issues as environmental protection, safety and health at workplace, relationship with local communities and consumers (Branco and Delgado, 2011). CSR concept is extensively used to tackle the relationships involving business and society. Though, some recent concepts have been suggested to conceptualize the business and society relations, as corporate citizenship and corporate sustainability (Branco and Delgado, 2011). Thus, this study purpose is to theoretically examine the gender differences effects on corporate social responsibility activities with impact on companies’ performance. Based on the literature review, this paper proposes a research conceptual framework that can be used by managers in making their business decisions. The rest of the paper is organized as follow: next section presents the literature on CSR and in Section 2 the conceptual framework is presented. This paper ends with conclusions and further research.

2. Literature review

2.1. Corporate Social Responsibility (CSR)

Companies’ main objective is to maximize shareholders wealth. Caroll (1999) suggested that responsible companies act in socially responsible way and by doing this, companies are not only profitable but also they obey the law, are ethical and are good corporate citizen. Company long-term targets should have positive effects on society and
environment, and should have responsible interaction with company employee, community and customers (Dumitrescu and Simionescu, 2014; Wheeler and Elkington, 2001). As underlined by Robbins (2005), businesses are ‘expected’ to accept and to take full responsibility for non-economic consequences of their activities with respect to the natural environment and society at large.

CSR concept is not a new; it has been debated in many academic disciplines especially in management for more than half of a century (Bowen, 1953; Dawkins, 1973; Constantin, 2014). Only in recent years CSR concept gain importance between academics, researchers, scholars, and practitioners (Dentchev, 2005). CSR is adopted by the companies on a voluntary basis (Piacentini et al., 2000; Robins, 2005).

The literature on CSR was separated into two areas, respectively development studies (definitions, theories, standards, and frameworks), and relationship studies-the relationships between CSR and CFP, as well as CSR and share market performance. Despite that, the relationship between CSR and al related concepts is still lacking of a clear and fully understanding (Simionescu and Gherghina, 2014).

The Business for Social Responsibility (BSR) defined CSR as “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment”. McWilliams and Siegel (2001:117) refers to CSR as the “actions that appear to further some social good, beyond the interest of the firm and that which is required by law.” In Frooman (1997:227) conception the CSR would represent: “An action by a firm, which the firm chooses to take, that substantially affects an identifiable social stakeholder’s welfare”. According to Khoury et al. (1999), CSR represents the overall relationship between companies and their stakeholders. As underlined by Freeman (1984) stakeholders (e.g. customers, investors, employees, suppliers, shareholders, communities, etc.) are vital for companies, as well as for their competitive advantage. Companies responding or meeting stakeholders social expectations, will not only be considered as having socially responsible behavior (Gherghina and Simionescu, 2015), but also will follow a path that will continue to be profitable in the long run as well (Bilan, 2014).

Thus, are considered socially responsible activities companies that investment in their local community, environmental practices, employee relations, attract and maintenance of employment, and long term companies financial strategies and performance. Marsden (2001) stated that CSR is about the company’s core behavior and the responsibility as regard their total effect on the societies where they operate. A socially responsible company is one that runs profitable business and takes into account all the positive and negative effects on the environment, economy and society where it operates. Van Marrewijk (2003) argues that corporate sustainability and CSR are linked as regard the company activities by including social and environmental issues into business operations and their interactions with key stakeholders. World Business Council for Sustainable Development (2000) defined CSR as the continuing commitment of business activities to behave ethically and to contribute to economic development while stakeholders quality of life is improved as well as their workforce and their families alongside local community and society as a whole. Therefore, CSR is viewed as a set of policies, practices, and programs included in business strategy, supply chains, and decision-making processes during all of the company and frequently are taken account of issues related to business ethics, governance, community investment, human rights, environmental concerns, the market place and workplace (Simionescu, 2015).

Among the benefits arising from being socially responsible, one important argument for addressing CSR is its business case, or more precisely, the relationship between CSR and corporate competitiveness (Porter and Kramer, 2002). As shown in several studies, companies that implement CSR practices into their business strategies may benefits from advantages showed below:

Benefits of implementing CSR into companies business:

✔ **External Benefits**
  - Increases companies performance
  - Reduces risk mitigation
  - Improves companies brand and image
  - Increase sales and customer loyalty
  - Establishment of new business networks
  - Improves stakeholders trust
  - Improves companies reputations
  - Improves government relations
  - Reduces regulatory intervention
  - Reduces companies’ costs through environmental practice.

✔ **Internal Benefits**
  - Improve company’s financial performance
  - Reduced risk management
  - Increase companies competitive advantages
  - Retain and attract skilled employees
  - staff motivation increases
  - Improve employees trust

*Source: Fact Sheet: CSR (2010).*
2.2. Gender Differences

The relationship between business ethics and gender did not receive a lot of attention in the literature on CSR among researchers. The few studies that have empirically investigated the relations between genders and CSR, indicate that women’s are more ethical than mans, regardless of other studies which showed no ethical difference between women’s and men’s respondents (Atakan et al 2008). According to Friedman (1987) the issues of gender differences as regarding the ethical values are only at the popular level, meaning, both women’s and man’s are still to believe to moralize different. Though, this evidence is not sufficient to perceive gender differences effect on CSR. The point of tension is given by the empirical studies where genders influence differently the orientation toward ethical practices and viewpoints as part of business strategies. These results studies continue to confuse theoretical and empirical approach of gender differences in relation with CSR and often researchers end up with contradictory results.

Ford and Richardson (1994), reviewed empirical studies on business ethics and found 14 studies on gender differences. Continuing their research, the authors identified in 7 studies out of 14 at least some situations where women were more likely to perform ethically than mans. Using a meta-analysis in their research, Borkowski and Ugras (1998) study the relationship concerning gender and ethical perception. Their results suggest that most women’s tends to be more ethical than man’s when it comes to breach the rules and responsibilities within a company. Guffey and McMillan (1996) establish that woman’s are generally less tolerant than man’s regarding company misconduct. Dawson (1997) found in his study that woman’s in marketing profession responded to customers’ requirements in a more ethical and fashionable style than mans. Studies made by Gill (2010) show that business woman’s which are students tend to be more ethically inclined than their man’s counterparts. Continuing its study, Gill’s results show that man’s exhibit less diversity in their ethical decision making whereas women are more willingly to raise different ethical measurements to differentiate business scenarios and to comply with stakeholders requirements. Same gender differences are seen also in some CSR studies. Studies made by Panwar et al (2010) indicates that mans and woman’s differ in terms of perception regarding socially responsible activities. Burton and Hegarty (1999) found that the level of CSR orientation among female students is higher than mans and that managers which are women are more likely to have a higher rate on the scales of ethics and socially responsible activities than mans. Thus, women are more careful and pay a special attention to company socially responsible activities and their business decisions making than man (Smith et al., 2001; Moscalu, 2014). Continuing Smith et. al. (2001) argument, Marz et al (2003) specified that woman’s have a considerably developed level of social orientation than mans. Study made by Elias (2004) show that female students perceived socially responsible activities to be more important and effective in companies’ business strategies before and after the insolvencies compared with male students.

3. Conceptual theoretical framework

Based on literature review above, this paper underlines the definition given by the Commonwealth of Australia (2010) which is more concise as regard CSR definition and practices referring that the “companies’ management in their business processes produce an overall positive impact on society. CSR suggests that a corporation is not only responsible to the law, its investors, customers and employees, but also to “society” (Commonwealth of Australia, 2010).

Although the above definitions are given for CSR in developed countries, in literature there are definitions of CSR in developing countries as well (Dumitrescu and Simionescu, 2014). According to Visser (2008) CSR in developing countries is defined as “the formal and informal ways in which businesses make a contribution to improving the governance, social, ethical, labor and environmental conditions of the developing countries in which they operate, while remaining sensitive to prevailing religious, historical and cultural contexts”. The World Business Council for Sustainable Development (WBCSD), regard CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities” (WBCSD, 2001).

In accordance with the literature review, this paper proposes the following theoretical research approach presented in Figure 1.

Figure 1. CSR Conceptual Framework towards gender differences

Source: Author processing.
Figure 1 shows, gender differences orientation related with CSR dimensions. If weather or not women have a higher CSR level than men, could be a research topic for developing countries. CSR programs and challenges in developing countries are different from those in developed world. According to Visser (2008) these differences actually underline the many CSR issues faced in developing world such as job creation versus high labor standards, infrastructure development versus environment, as well as strategic philanthropy versus political governance. In consequence, developing countries prioritize these problems under the label of CSR, meaning alleviate poverty, improving working conditions, and provision of basic services, as well as supply chain integrity (Visser, 2008).

In developing countries for CSR to be understood and to have a positive and benefic impact on companies, it is important for philanthropic activities to be the base of CSR pyramid. A successful philanthropic activity includes corporate social projects and community funds. For developing countries to develop, their economic development is necessary. An economy flourishes if there are businesses that make investments and create jobs and pay taxes. This is company economic responsibility. Companies need to obey the local community laws, and to certify good relations with government officials. This is company legal responsibility. Companies adopting CSR are ethical by adopting voluntarily codes of conduct, ethical, governance and ethics.

4. Conclusions and further research

This paper aim was to develop a theoretical framework as regarding the role gender differences on CSR. A strategic approach toward CSR is progressively important for the company competitiveness. Companies adopting CSR activities benefit from cost savings, access to capital, lowers their risk management, improve customer relationships, increase customers’ loyalty, and enhance innovation capacity. CSR requires companies’ engagement toward internal and external stakeholders, thus allows them to better anticipate and to take advantages from a fast changing stakeholders expectations and business operational conditions. CSR can create business opportunities and can drive the improvement of new markets for growth (European Commission, 2011). Notwithstanding many researches have studied topics related with CSR as well as its frameworks and methodologies, some of its aspects and relationships are still lacking of understanding or there been neglected and require thus a deeper examination and study. Based on the literature review, this paper proposes a theoretical framework as regarding the orientation and intentions of women’s and men’s in CSR activities and their effect on company performance. Further research can empirically show if women are more careful and pay more attention to different CSR dimensions in comparison to mans.

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6. References


