

CAN SOCIAL RESPONSABILITY BE A KIND OF BUSINESS?

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Abstract

In our days, having and maintaining a competitive market position requires a company to prove not only its economic skills but also responsibility in the actions it takes. Thus, in this century, the idea of sustainable business materializes in implementing such practices which, except for the need to make profit and the existence of a strategic philanthropy must also coexist with some goals which should take into account social responsibility. Do companies use the idea of social responsibility only to increase profitability index, or do they really use their profits to become socially responsible? Therefore, in order to answer this question, the research will consider a three-dimensional perspective, namely: business companies, customers and society/environment. Among the most important issues resulted, we mention the following: social responsibility is no longer an option for companies but a way of doing business, customers have begun to behave more responsibly because they are socially aware and economic performance must become a social performance.

Keywords: social responsibility, business, economic companies, human rights, sustainable development

JEL Classification: M14, M21, Q56

1. Introduction and content of the paper

Over the last few decades, the concept of social responsibility has been a topic widely debated in the expert literature, therefore I have taken into consideration as a start point a debate on the issue of social responsibility interpreting the words uttered by Franklin Delano Roosevelt "We cannot always build the future for our youth, but we can build our youth for the future". In fact, this quotation is nothing else than one of the most inspired definitions of social responsibility. If we take into account the business side of the phenomenon on social responsibility, we discover that it is rather a practice involving determination, initiative and especially the desire to create common value not only for the company but also for society.

In the West, social responsibility is no longer an option for companies for some while, but rather an obligation. With every passing day, companies become increasingly aware of the possibility of creating a situation of "win-win-win" type (company-client-society/environment), when due their actions not only that they help both the environment and society, but they can also contribute positively to business development in a healthy and efficient way. In this way, the so-called "green initiatives" can bring both environmental welfare, and consistent profits for any company.

2. Business Companies

It is true, indeed, that social responsibility is currently a challenge for many companies, but the central idea converges to a single common point, namely: the positive impact on society and environment. Important brands have managed to base a long term policy on approaching this issue, creating trust and loyalty among customers on supporting "green" actions. Already, for in the case of multinational companies, clients position creates a certain pressure to act in order to offer sustainable results.

The main elements of cost reduction for the companies that think "green" should take into consideration the following: using less packaging materials, or using recyclable packaging; reducing transport costs; minimizing costs for electricity and heat by adopting alternative solutions etc. These are only some basic examples through which a company can increase its financial benefits, but first the management must offer a strategy by which social responsibility become "culture" within the company. Management's training is inevitable in this context since, ultimately, companies are part of society, and therefore the activities they carry out unavoidably affect society.

Unfortunately, in present Romania, the reality is that many economic entities pretend to follow certain principles or practices focused on social responsibility. At most, Romanian companies are animated by philanthropic

feelings only around holidays, time when certain donations or sponsorships are made in order to raise public awareness and obtain free publicity. The question, however, arising in this context is "Why?" The answer is as simple as it can be: since being socially responsible is "fashionable" and becomes every day a brand that attracts more and more followers. Even so, this practice can become a damaging one for small and medium enterprises, since in addition to their tax burden that exerts pressure, they can no longer afford certain costs, even if these long-term costs can be converted into benefits. In these circumstances, in order to obtain these benefits, the economic entities in Romania should place profit objectives in the background and place in the foreground on the management's commitment to support a social cause in every economic action carried out, 365 days a year.

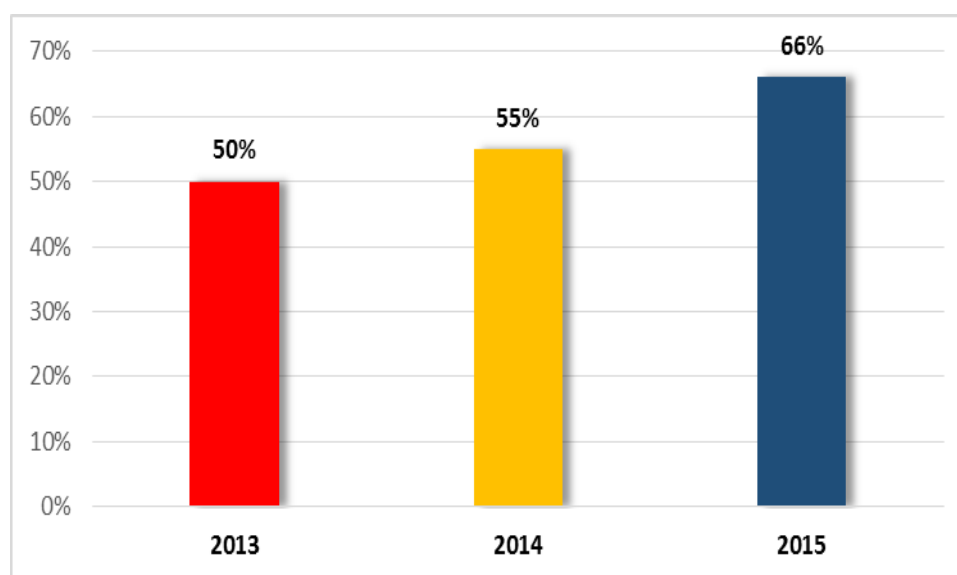
In order to survive on the market, the change must be made by Romanian companies that need to evolve by incorporating civic engagement through the perspective of social responsibility within its culture and values. The main benefit achieved through civic engagement into a company, is first of all the connection between employees, helping to the increase of the entity's mood. Thus, an undeniable team building is created where employees bring passion and begin to see things from another perspective of the social side. Also, cost savings will emerge as a result, given the fact that, usually organizing a team building really costs and the amounts are foreseen in the budget.

The benefits emerged due to social responsibility are often difficult to quantify. From this point of view, according to top management vision, measuring social actions gets financial implications and implies a kind of character similar to investments. These investments are called "good sense businesses" and imply on the one hand the investment in local communities in relevant areas such as environment, education, culture etc. and, on the other hand businesses that avoid companies involved in the production or sale of the alcohol, tobacco, military weapons etc.

3. Customers

Today, reality is that many customers are attracted by the idea that behind a commercial activity stands a social action and that a percentage of the amount paid for a good or service has a social purpose. A recent study conducted by Nielsen [7] showed that there is a growing number of customers who are willing to support actions aimed at social responsibility. According to the survey, conducted on a sample of approximately 30,000 people worldwide, the percentage of people who would be willing to pay more for certain products and services offered by companies that engage in actions that have a great positively social impact on environment significantly rose last year (Fig. no. 1).

Fig. no. 1. Clients that support social responsibility



Source: Data processed by authors from the online survey conducted worldwide by Nielsen

Therefore, as you can see from the chart above, in 2015, 66% of customers are willing to support causes that target social responsibility through the products they purchase. Moreover, customers have begun to behave more responsibly lately because they are socially aware, and this is what they also ask for from supplying companies. Due to media and numerous existing sources of information, when it comes to purchases that should be made, customers "do their homework" and most of them check the products before buying.

4. Society / Environment

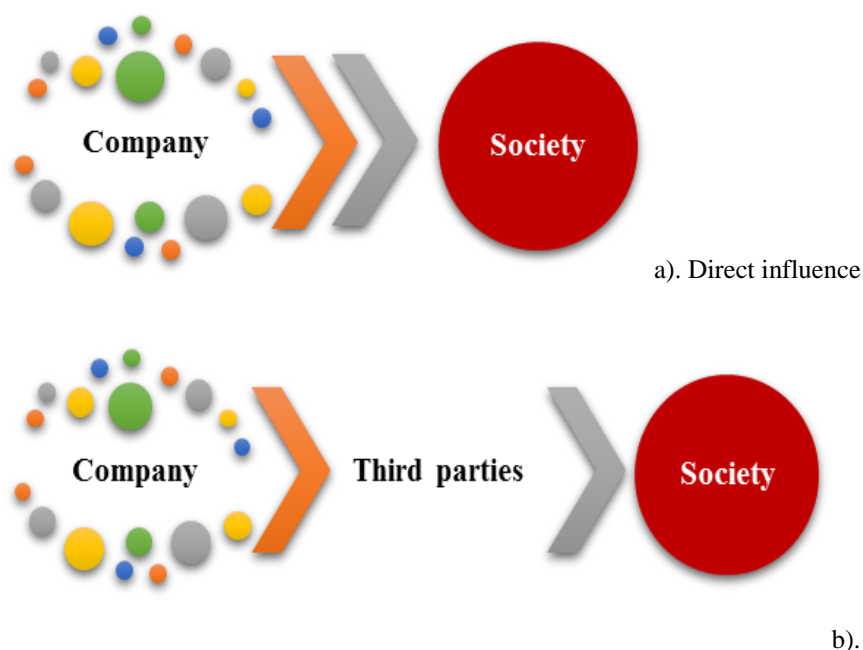
The term of "social responsibility" was often used in expert literature to describe a mechanism by which companies take responsibility for their actions, encourage a positive impact on society through their activities on humans and environment as well as to ensure active compliance with ethical standards and international instruments on human rights

Thus, starting from a broad worldwide legislative concern on human rights to a healthy environment [1]-[2], we must recognize the fact that social responsibility appeared as a result of numerous initiatives to protect the environment both for us and for future generations. Thus, with the assumption of certain companies of actions on creating a sustainable environment since 2010 the Council of Europe has undertaken effective actions by Resolution 1757 [5] and Recommendation 1936 [4] on human rights and businesses. In fact, it is envisaged to provide a global standard for preventing and addressing the risk of adverse impact on the environmental and consequently on society.

Given the fact that the actions of commercial companies can have either negative or positive effects [3] on employees, customers or local community, the question arises: *would it be possible that social responsibility become an option for corporate companies?* Of course not, since the negative or positive consequences on society are directly proportional to the long term interests of companies, whether we deal with legal, economic or image consequences. Basically, a company can exert its influence on a range of issues related to social responsibility (Fig. no. 2):

- directly - through the activities or actions carried out that may cause or contribute to a certain degree of impact;
- indirectly - being involved through its commercial or other type relations that it has with other business partners, employees, etc.

Fig. no. 2. The influence of corporate activities on society



Source: Developed by authors

Also, depending on the type of influence (direct or indirect) on society, as well as on the degree of effect taken into consideration, the company is responsible for both negative and positive consequences that it creates. In these circumstances, companies should comply with rules and legislation, and their economic mission should never limit only to the greedy desire for profit.

The impact corporate companies have on society or environment differs from one economic entity to the other. The very size of the company will influence the kinds of approaches that it will have to achieve social responsibility objective. For this reason, it is obvious that a larger company will take care that the size of its actions also reflect social component, as opposed to an SME [6].

Worldwide sustainable efforts concerning sustainable development materialized in late September 2015 when the UN General Assembly adopted 2030 Agenda [9]. It contains a total number of 17 goals for sustainable development [8] (Fig. no. 3) whose lines of action would target "a world where poverty will be eradicated, prosperity will be shared with all, and the main threat to the environment will be kept under control" (Ban Ki-moon).

Fig. no. 3. The 17 Sustainable Development Goals (SDGs)

	End poverty in all its forms everywhere		Reduce inequality within and among countries
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture		Make cities and human settlements inclusive, safe, resilient and sustainable
	Ensure healthy lives and promote well-being for all at all ages		Ensure sustainable consumption and production patterns
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		Take urgent action to combat climate change and its impacts
	Achieve gender equality and empower all women and girls		Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Ensure availability and sustainable management of water and sanitation for all		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Ensure access to affordable, reliable, sustainable and modern energy for all		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Strengthen the means of implementation and revitalize the global partnership for sustainable development
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		

Source: Data processed by authors from <http://sdgcompass.org/>

5. Conclusions

In conclusion, we believe that, social responsibility can be not only a simple business, but a successful one and this proved to be so by the three-dimensional perspectives, considered above (business companies, customers and society/environment). Therefore, among the most important issues resulted, we mention the following: social responsibility is no longer an option for companies but a way of doing business, customers have begun to behave more responsibly because they are socially aware and economic performance must become a social performance. Regarding our country, there are not many entities who have a vision on how to become social responsible, but the key of change is in their hands. Because market competition has existed and will exist permanently, one thing can make a difference and could tip the balance in favor of a certain company, and this is: the use of its profits in order to become socially responsible. In nowadays world, all companies should realize the fact that giving back to community at a corporate level, can be a huge boost for their businesses.

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