

ORGANIZATIONAL MANAGEMENT AND SOCIAL RESPONSIBILITY IN THE RAILWAY UNDERTAKINGS

PhD. Candidate, Marcel LITRA, *CFR Passenger SA, Bucharest, ROMANIA*

ABSTRACT: Corporate social responsibility (CSR) aims to achieve economic success in an ethical manner, with respect for people, communities and the environment. This assumes responsibility before expected legal, ethical, commercial or otherwise, that society has for companies and makes decisions that balance the needs of all who have a role in the life of a company. Among the sustainable development of society and corporate social responsibility are closely connected. Basically the two concepts mutually support and feed. Applying the concept of social responsibility can help organizations achieve high motivation of human resources at their disposal. While doing so, companies can increase consumer confidence, thus ensuring a competitive advantage not insignificant.

KEY WORDS: management, corporate social responsibility, sustainable development, railway enterprise.

1. INTRODUCTION

The current context of economic development, changes faced by domestic and international organizations require their traditional attitude change compared with the results and current business performance. If initially the two concepts were addressed independently tough competition in the European single market requires performance relationship - a result to be an "all" inextricably linked, able to place the railway undertaking in a favorable position compared to its main competitors. If the results of measuring performance and even define when is at high levels, in the opinion of the author, the spectrum is much broader enterprise performance, it should include other "performance" quantified as the economic, technical and economic of involvement in society, environmental protection, social responsibility, etc.

The basis of such extensions was built various systems to evaluate the performance of the railway undertaking, grouped by the nature of content in: technological, economic, financial and socio-economic.

The technological performance of particular importance in any micro system: it is highlighted by a series of values of the continuous progress of development and highlights the technical capacity of the organization to produce goods and services competitive. After the dynamics of the performance is essential viability of the system in an environment found in accelerated transformation.

Such performance generates a complex chain of social and economic effects manifested primarily in the area of railway enterprise performance and secondly the macro-scale, it is equally in the "interest" of the great community. Economic performance is actually "mirror" reflecting mainly the effect of technical and technological performance (higher turnover rate or rates of return reflects a higher level of technical performance, a high potential research - development).

In the assessment and evaluation of overall performance, the railway undertaking can not ignore the economic and social performance. Classical behavior still very poor record on the issue of economic and social performance. Or, ensure health, environmental protection

activity in accordance with the requirements of sustainable development would cause more stringent constraints than economic.

In this context, social issues became a concern of the business of railway undertakings wishing to accept performance and generate performance. Extensive transformations in social performance evaluation plan generated emergence of the concept of corporate social responsibility, a comparatively new concept, however, able to capture and guide the railway undertaking in terms of global competitiveness.

Started as an abstract and bizarre, disapproved of management committees of several public and private railway companies, social responsibility has become both the business world and in society as a useful tool in finding solutions to many social problems. Modern railway undertaking operates in an economic environment characterized by a strong interaction of economic and social. This context has an impact on how companies define their objectives and drive their business. Thus, organizations are forced to adopt, in addition to classic economic objectives related to profit - and a number of objectives related to environmental protection or solving social problems of general interest [1].

The concept of "CSR" implies an approach based on a plurality of judgment value. Therefore, the concept is a subjective and influenced by context. However, it should be noted at the outset that most authors and companies who understand that social responsibility CSR is not just a monetary donation in the context of philanthropy, but rather a different style of doing business, integrated style the company culture at all levels of its operations and present in every moment of time.

Some researchers define CSR as "*a situation in which the company does more than is required and engage in actions designed to bring value to society, actions which go beyond the interest of the firm and is required by law.*" In the spirit of this approach, actions that companies accomplish as part of corporate social responsibility should be

something more than the legal requirements and tax liabilities to be classified as social responsibility.

The European Commission has approved a definition of corporate social responsibility that it is "*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis*".

We can say that corporate social responsibility is a whole culture of business includes business ethics, consumer rights, economic and social equity, technologies that do not harm the environment, fair treatment of workers, transparent relations with public authorities, investment, and integrity community. Please note that with this concept consider and evaluate the impact that business has on society and its ends tends to maximize the positive and minimize the negative ones.

Mutations occurring in contemporary society and economy led to the affirmation of the concept of social responsibility in business firms. These changes are mainly related to the qualitative evolution of human needs, affirming the importance of public opinion in shaping corporate behavior, the need to protect the environment.

2. CONCEPT OF SUSTAINABLE DEVELOPMENT - A BRIEF HISTORY

This concept was initially linked to environmental issues and the crisis of resources, especially energy, three decades ago. Gradually, this concept has evolved and taken for granted in 1992 by the Conference on Environment and Development organized by the United Nations at Rio de Janeiro.

The starting point in addressing this issue was the environmental conference in Stockholm in 1972, which first approached the deterioration of the environment due to human activities. It is appreciated that the perpetuation of this situation threatens the very future of mankind. As such, in 1983 by a resolution of the United Nations General Assembly established the

World Commission on Environment and Development (WCDE) - Brundtland Commission. Through this activity closely followed the issue of sustainable development. The Commission has developed the most widely used definition of the term. The concept of sustainable development implies the pursuit of satisfying the needs of the present without compromising the ability of future generations to meet their needs [2]. The issue of sustainable development has been widely discussed at the Earth Summit in Rio de Janeiro 1992, during which it developed a concrete action plan to support such a development - Agenda 2. Concerns about this have continued with discussions that took place during the Summit on Sustainable Development in Johannesburg, 2002.

Given the close link between environmental problems, society and economic activities, especially in the long term, a new concept has become - corporate social responsibility.

3. SOCIAL RESPONSIBILITY - DEFINITION AND CHARACTERISTICS

Literature devotes several ways to define the concept of social responsibility. World Business Council for Sustainable Development (WBCSD) defines CSR as "*the continuing commitment in business, in the direction of ethical behavior and contribution to economic development, while increasing the quality of life staff and family, but also for the local community and society as a whole*" [3].

European Commission in the "Green Paper" award concept definition "*voluntary decision organizations to help create a better society and a cleaner environment.*" [4]

Romanian literature, social responsibility is defined as "*all obligations of the organization towards society groups, other than an interest in the enterprise.*" [5]

From the definitions presented show that modern railway undertakings can and should base their work not only on the goals of

productivity and profit but also on the assumption that they operate as an integral part of society, influencing the whole development. The concept can be approached from domestic perspective, the railway undertaking and the external perspective.

The railway undertaking, the application of social responsibility concerns issues such as discriminatory recruiting, motivating staff, fostering a learning process, which results in attracting and retaining skilled staff, key condition for sustainable economic development organizations. At the same time, companies should be concerned with protecting the health of employees and increase work safety.

Socially responsible practices are initiatives that improve a company in voluntary mode, so as to contribute to the general welfare of the community and the environment. For an initiative to be considered as part of CSR, its character is essentially voluntary. In other words, can not be regarded as a CSR initiative that the company changes adopted as a result of pressure from authorities, NGOs and consumers. A company may make changes to the adoption of socially responsible practices in the areas of:

- Design operating locations (ex. design offices, production units or outlets so: to be a higher level of safety, to protect the environment, decrease energy consumption, etc.).
- Improving production processes (ex. waste disposal, reduce the level of chemicals used as fertilizers, etc.).
- Withdrawal of products that can be considered harmful, even if not illegal (ex. McDonalds gesture to withdraw in 2004 portions "*supersize*" French fries and soft drinks);
- Choice of production and packing materials to protect the environment (ex. to reduce the amount of waste to facilitate recycling, eliminate toxic emissions, etc.).
- Providing objective information about products (ex. packaging contain information about: potential adverse effects of consumption, the amount of

physical activity needed to burn calories or fat contained in the product, etc.).

- Developing programs aimed at welfare of employees (ex. medical, psychological, recreational and sports facilities, etc.).
- Ensuring responsible marketing policies particularly in respect of children (ex. online sale not allowed minors to withdraw marketing programs for some of the potentially harmful in schools, etc.).
- Improving access to products marketed for people with disabilities (ex. ramps in stores, alternative print ensemble, affordable web sites, etc.).

Economic adaptation to climate change often requires major restructuring of the activities of organizations which give rise to serious social problems related to unemployment and falling living standards. These negative social phenomena are even worse for large companies that concentrate most of the economic activity of a region.

Experience has shown that applying the concept of social responsibility in the process of restructuring the organizations work closely with public authorities and local communities, reducing their negative social impact. Another category of issues related to the internal side of social responsibility are related to the use of natural resources in production and environmental protection.

Reduce consumption of natural resources and to reduce pollutant emissions and waste have positive effects both for companies and for society as a whole. Thus, organizations have benefited from reduced energy costs, the costs of waste storage and preservation, while the communities where they work benefit from a healthier environment.

Regarding the external dimension of the concept of social responsibility, it involves those organizations interested in the activity categories, such as business partners, local communities, public authorities, and consumers.

As any business organization operating within a community of inter-relationship is obvious. Firms depend on the stability and prosperity of their communities within which they recruit human resources needed in the

community while providing jobs and financial resources (salaries, taxes).

From the perspective of social responsibility, organizations need to provide consumers with those products and services required by them in an efficient, ethical and environmentally sensitive. An example of this is the realization of the principle products and services that can benefit including those with disabilities.

4. SOCIAL RESPONSIBILITY IN MODERN COMPANIES

In the European Union there is a particular concern to promote social responsibility, studies undertaken [6] indicating that 50 % of companies analyzed using this concept in their work, realizing its benefits, including improving relationships with customers and local communities.

As private organizations involved in strategic social and environmental arena is a need for involvement, to a lesser extent, public authorities in promoting business principles beyond direct financial benefit. This involvement must, however, correlate with the fact that corporate social responsibility must ensure balance between all participants in public life, regardless of interest. From this perspective, consider that instead of promoting the general social responsibility, public policy should be directed towards increasing the transparency practices of companies in foster collaboration between the business sector and public authorities to solve specific problems.

In Romania the first social responsibility actions taken by multinational companies have come up with strategies and models already tested in other states. In general, the activities were supported by corporate strategies and policies being more sporadic and seasonal. Most were held around the holidays when organizations suddenly become generous.

As time goes by more and more companies have realized that CSR can bring important image capital. Now there are strategies, programs and events dedicated to this field, communicate more, to exchange experiences.

Research has revealed that Romania is still far from the level reached by countries with experience in the field where well established annually allocates a percentage of the turnover of their company and the work is monitored and evaluated by organizations independent professional.

In Romania there is not yet defined its own culture of social responsibility, but there are prerequisites for shaping them, namely: the presence in the local business environment of multinational companies with a long tradition in the development of social, environmental journalism indicating a constant specific cases or standing on which business can straighten generosity and not least generous people, sensitive and attentive to the needs of the community.

The main factors that lead people to donate, according to research conducted are mostly related to: emotional motivations, feelings of mercy, compassion, desire to help or normative motivations imposed by society, community, friends or religious group. There are situations in which the donation is motivated by mutual benefit, directly or indirectly. That are predominantly emotional motivations reflects the fact that until now lacked coherent education programs for the connection between the involvement of citizens and organizations in the community and direct or indirect benefits they bring it.

Business Sector donates mainly from individual requests of organizations than as active involvement in society. Partly reserved and reticent attitude of managers from sponsoring organizations is determined by the shallowness of the programs, the lack of professionalism of organizations seeking sponsorship, lack of vision and social responsibility education or difficulty in evaluating the results respectively legislation. Social responsibility concerns manifested initially for large companies. Swedish company Volvo, for example, bases its approach to promote the concept in the following [7]:

- *Safety*: the main attribute of the company's products;

- *Client*: one who judges the company's image;
- *Quality*: customer satisfaction is based on product quality;
- *Average*: ongoing concern for protecting the environment;
- *Collaborators*: their satisfaction is seen as the only way to achieve the company's objectives;
- *Suppliers*: they must meet quality standards;
- *Society*: company is considered a responsible member of society.

For the group of companies DANONE promoting social responsibility is based on:

- Equal opportunities;
- Compliance with legislation;
- Promoting professional and personal progress, establishing and maintaining an ongoing dialogue with employees and their representatives;
- Greater focus on consumers' perceptions of products and needs;
- Careful monitoring of the quality of products offered on the market.

The example, to be followed by large corporations and small and medium enterprises, which will see the need to realize competitive advantages in the plan of such an approach. The European Union is interested in expanding the concept of social responsibility among countries that have more adherences later.

The need for social responsibility in business firms is highlighted by the realization that between them and the company is a symbiotic relationship - their condition depends on the society and vice versa. Thus the company's involvement in social and environmental issues can bring many advantages [8]:

- Improve relations with the community (customers, suppliers, authorities);
- Influencing the target audience of opinion leaders, the media, and so on;
- Positioning the company to a higher level in society;
- A better image for the company;
- Consumer loyalty to the company and its products;
- Motivate employees;

- Building and promoting business excellence.

The Romanian companies are required to understand the need and benefits of promoting social responsibility in their work. First steps in this direction have already been made by multinational companies operating in Romania. Companies like Philip Morris Romania, Lafarge, JIT Romania pursuing to help communities to which they belong.

5. CONCLUSIONS

From the foregoing it appears that the current socio-economic context, social responsibility activity railway companies becomes a necessity due to the relationship of interdependence existing between modern economic organizations and society. Status and progress of any railway company depends on whether the company is the development of the latter is closely related to developments in the companies that operate them.

Overall assessment of the performance of the railway undertaking can not ignore the economic and social performance. Performance is not an objective measure; an attribute of a phenomenon independent observer measured, but is constructed of actors in relation to the type of work performed and objectives.

Improvement of the railway undertaking involves combining a sustainable strategy that does not neglect any moment

interdependencies among all holders of interest purposes. Companies analyze their business in terms of contribution to the environment or society is a reality. They led by social entrepreneurs, philanthropists and environmentalists are normally executive director or other responsible with personal beliefs deeply rooted.

From the perspective of the country's efforts to join the European Union recognition, the need for social and economic responsibility that hinders the sustainable economic development of Romania is a reality.

6. REFERENCES

- [1] *Business in the Community*, www.bitc.org.uk
- [2] www.societatedurabila.ro
- [3] www.mallenbaker.net/crs/CRS_files/definition.html
- [4] European Commission - *Green Paper*, pag. 5;
- [5] **E. Burduș**, (2001) *Management comparat*, Editura Economică, București, pag. 172
- [6] www.europa.eu.int/commlentreprise/entreprise_policy/analysis/observatory.htm
- [7] **W. Utveckling**, *Report on CSR - Sweden*, www.cecop.org, pag.2
- [8] **G. Lazăr**, *Secolul responsabilității*, www.markmedia.ro