

SOME CONSIDERATIONS REGARDING THE CORPORATE SOCIAL RESPONSIBILITY MODELS IN ROMANIA

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- Abstract –

The corporate social responsibility is a new and modern concept met in Romanian economy and has been adopted with great interest by national companies which operate on national market. The implementation of specific models in order to assume a corporate social responsibility is a consequence of needs to solving the economic, social and environmental problems. In condition that the development of economic activities determine some special social consequences and produce a negative impact on environment, we consider that is normally and ethical that the social responsibility have been part of economic development projects. In this paper we propose to present the content of corporate social responsibility concept, the functional models in Romanian economy (with examples on 7 different situation related to the company profile; all analyzed companies are interested to implement and promote, as example for other companies, the corporate social responsibility) compared with international models and to identify the consequences that the initiatives such these can determines in social terms, in order to bring a significant contribution to increase the human life quality and ensure the society prosperity in the same time.

Key Words: *development, performance, responsibility, society, sustainability.*

JEL Classification: M - Business Administration and Business Economics; M1 - Business Administration; M14 - Corporate Culture; Social Responsibility.

1. INTRODUCTION

The sustainable development, a concept with a large applicability in many and various domains of economic global area, represent a desideratum of development plans for a large number of enterprises, economic units, public and private institutions, local government and citizens. The achievement of a development

level which is based on sustainability requires the completion of specific phase and adoption of a new behaviour on the business area, on the organization of society and realization of the development plans. Among the sustainable development components is register the adoption of corporate social responsibility models, too, that can represent a real chance to achieve the possible optimum in development, in accordance with maintaining of a social and environmental equilibrium stage.

The Corporate Social Responsibility (CSR) is one of the newest and most modern concepts identified in the society and companies level from worldwide. The importance of concept is derived from the fact that CSR is presented as an innovative factor at European and global level. In order to depth understanding of the concept, it may be referred to a number of useful terms in CSR describing, among which we mention: *business-companies involvement in community, corporate responsibility and sustainability*. Thus, given that the society is evolving in a fast rhythm with visible results in economic and social terms, respectively in attitudes and consumption preferences behaviour, we consider the reorientation to a development direction which promotes the maintaining resources at a quantitative and qualitative guaranteed level and he concerns manifestation related to protect the limited natural space in which people are obliged to act and live together, is a series of responsibilities that the companies must to assume, given that they are a permanent and active intermediary between social and economic environment.

To define the context in which the corporate social responsibility operates and manifests, it is necessary to mention that business environment overlaps, almost completely, with the reference area of CSR. Thus, the corporate social responsibility makes reference relates to how the business environment plans and proceeds to align the values and behaviours with expectations and needs of social partners. The companies are not only economical responsibilities, but especially in conjunction of undesirable phenomena occurrence (as environmental pollution, unhealthy social concerns, waste of resources, etc.) they have also the social responsibilities plus those of the environmental protection area. In essence, these three types of companies' orientations (economic, social and environmental) coincide with the sustainable and durable development goals.

If the problem is meant to be studied too, in terms of results obtained from assuming of these responsibilities, we consider that the implementation of CSR strategies in a company determine the relevant solutions for solving of economic, social or environmental issues at different levels. One of the conditions for

identifying these solutions is stimulating and focusing on competitiveness and innovation. These are some reasons which determine us to arguing that a company socially responsible has a much better chance to develop a profitable and sustainable business, because it has the capacity to take into account, in order to achieve a sustainable mix, the economic, social and environmental effects, positive and negative, that may induce to the society.

2. THE CONTEXT OF CORPORATE SOCIAL RESPONSIBILITY MANIFESTATION IN ROMANIA

The Romanian economy, subject of many changes and transformations in the last 20 years, has recorded during this period positives and negatives result in some directions, respectively unsatisfactory results in others, at that is adding the oscillations of results in economic, social and environmental area.

Among the most significant changes that determine the establishment of direct correlation with corporate social responsibility we present: activation of the entrepreneurial environment on the extensive scale, expansion of cooperation relations with other countries, structural changes in demographic trends, the level of culture and education modification, changes in consumer behaviour, increased levels pollution, massive deforestation, low level of reforestation, reducing the green spaces simultaneously with building area extension, etc.

Among these, one of the most significant problems facing our country and which is felt in all regions is *pollution*, recognized as a global problem for over 40 years. The manifestation of environmental pollution in Romania is evident by the effects that they produce: climate change, biodiversity degradation, the species of plants and animals' disappearance, floods, droughts, affecting the population health. A study, from 2008, of Eco-Europe Association shows that the Bucharest municipality - Romania's capital - is the most polluted European capital. From data provided by the Environment Ministry results that monthly are emitted 166,000 tons of harmful substances, 273 tons of dust and the green spaces are below the European standards recommended comparatively with other capitals (1,69 square meters of parks and public gardens compared as 6-8 square meters according to the World Health Organization recommendation). By recognition of these problems at national level, in order to minimize the pollution effects on a large scale, have been emerged - in view of implement – the specific policies for environmental protection. Nevertheless, the action only "top down" on hierarch scale is not enough, because this is a major problem that concerns the citizens of currently generation in equally measure, responsible at its turn, for the existence and the welfare level of future generations. For these reasons, the inhabitants of

our country, unanimously, should know the problems facing to society, in view to understand and sustain the efforts (including those ethical and behavioural) to reduce the negative effects and mitigate the anticipated consequences. Therefore, the companies must assume the responsibility, primarily on the awareness determination among the population about the existence of these problems.

In essence, to obtain the expected positive effects of social and economic impact on society as a whole, we consider that the responsibility is equally on civil society, authorities and companies.

3. THE CORPORATE SOCIAL RESPONSIBILITY ASSUMING MECHANISM BY COMPANIES

The World Business Council for Sustainable Development has defined the CSR as "the commitment of businesses environment to contribute at sustainable economic development by cooperation between employees, their families, local community and society as a whole or to improve their life quality." (Holme, Watts, 2000:8). The European Commission (EC) has defined the Corporate Social Responsibility as "a concept whereby the companies decide voluntarily to contribute to a better society and a cleaner environment." (EC, 2010). To establish a functional link between corporate social responsibility concept and practical implementation mechanisms at the company level, we consider that the specialist's opinions that have "tested" this mechanism are highly relevant.

The businessmen who consider that the main issues taken into account by a social audit of their private company, concerns, in order of importance: the relations with local communities (77.8%), the rights and working conditions of employees (74%), the consumers (66.7%) and the environment (66.7%). (Oancea, Diaconu, 2010). The economic development and prosperity creation are possible only in a exchange relationships system based on trust and credibility. The societies with a decreased level of trust in institutions and businesses environment cannot support a sustainable economic progress." (Young, 2008).

From the basic elements for the definition of the manifestation conjuncture specific to the corporate social responsibility (CSR) are:

- *Business Conduct*. The main advantage of business conduct is the reduction of the company's image degradation risk, being more convenient the partnership or loyalty and transparent employee situation;
- *Relationship with employees*. An image of "an ideal employer" entails the competent employees, so the performances at company level;

- *Health and safety at workplace.* The prevention of potential workplace threats reduce the chances of producing accidents, so a cost reduction;
- *Relationship with customers and suppliers.* The external environment is one extremely fragile and the prevention of negative image transfer from the company to the supplier / customer conduces to the loyalty increase and costs reduction;
- *Community involvement.* By engaging in the community life, any company can create a *win-win* type situation;
- *Monitoring and reporting systems.* A transparent company creates itself a positive image to the interest partners, which leads to attract the best suppliers, loyal customers and more profitable business relationships.

Thus, between what is advantageous for a business and what is useful for development, there not certainly a contradiction, because the two issues are closely linked. When economic and development indicators values are low, the population felt this by lowering of the living standard, so - like a vicious circle – the companies business activities are affected. Consequently, fewer jobs are created, existing ones are reduced, fewer taxes are paid to the state and investment in local communities is lower. Usually, according to the specialty literature, the success of a company depends on the communities and societies prosperity where the company operates. So, the companies have the responsibility to initiate positive changes and to provide the monitoring and measurement of their own social impact.

With aim to improve and increase the chances of economic development and, consequently, the human life quality, it is requires the implementation and compliance of the following strategic actions at the company level that assumes a minimum standard of corporate social responsibility:

- alignment of business strategies with those of citizens of a country;
- investment in communities to ensure their prosperity on long-term;
- launching some initiatives that can be applied in a sustainable manner;
- providing the necessary support for small and medium sized companies development, that represent an engine of economic development.

Given the assembly problems with the Romanian society is facing currently and, especially, to attenuate their negative effects that cause repercussions on next generations, the majority of companies are required to act completely in according

with European standards and practices of social responsibility on: natural environment, economic and social environment. In consequence, it will be possible to achieve some of the goals of sustainable development by: developing partnerships between public and private sectors, collaborations between companies and communities, identification of the necessary solutions for a positive perspective.

Nowadays, from the recent information of companies that manifest a large opening to the social responsibility, we remark that more and more Romanian companies are interested to support the specific CSR activities, and many of which have acted as such, because they have acknowledged that the CSR become a necessity. The preliminary condition for "registration" in this set of actions is to know and assimilate the principles of CSR and to engage the private sector, public sector, mass-media and communities in developing the company's business. The main advantage of extension, in this way, of the business reference area is that in the decision-making sphere is not take into account only the identified problems, but are proposed the most appropriate solutions. From a study of the Centre for Sustainability and Excellence (2009) related the financial allocations for investment in CSR, at the question if "the budget invested in CSR will affect positively on long-term the company performance?" the answers were: yes (87%), not (4%), not sure (9%). The benefits identified as a result of the CSR implementation in a company is concretized in:

- increasing the positive perception of the company among customers and business partners;
- attracting the sustainable investment;
- anticipation of modalities for future positive changes of the company's business;
- strengthening its reputation;
- opportunity to relate with consolidated business leaders;
- access to information from international experts;
- adoption methods for business consolidation through a responsible attitude to society;
- create the partnerships dialogues with public authorities regarding the acute problems, with aim to build the sustainable partnership solutions.

Actively participating entities to specific CSR actions are: corporate executives, financial executives, specialists in public relations, human resources specialists, and managers in communication, marketing specialists, representatives of public authorities, and representatives of the sustainable development departments. Until now, the perception of companies related to the CSR implementation is one positive, with expansion and depth orientations to the future. In Table 1 are summary presented some of the actions realized by Romanian companies, which had a strong impact on citizens.

Table 1: Specific CSR actions for some Romanian companies

No.	Company	Profile	Action / Objective
1.	ALTEX	Electrical household and electronic products trade.	Recycling electronic equipment used (as waste).
2.	DEDEMAN	Building materials and interior arrangements trade.	Providing scholarship for high school students from rural area.
3.	HENKEL & Association "Save the Danube/Delta"	Laundry & Home Care, Cosmetics / Toiletries and Adhesive Technologies trade.	Greening and selective waste collection in Delta and the Danube river.
4.	CARPATCEMENT	Production/trading of cement, concrete and aggregates	Changing the Romanian attitudes about nature and children education for the environment protection.
5.	URSUS and Association „Save the Danube/Delta”	Brewer	Collection of the plastic waste from the Danube Delta.
6.	PETROM	Exploration and production, refining, marketing, gas and energy	Full restoration of five parks from Romanian cities.
7.	National Program "Millions of people, millions of trees!"		

a. The ALTEX Company has developed the television and monitor used recycling campaigns, respectively for electrical household and electronic products, based on "buy-back" system. During the campaign, for any used equipment brought for recycling, was offered 15% discount for acquisition of a new product. The principal aim was to persuade people to return the waste from electronic products. The specific CSR program of ALTEX Company began in 2007 and at the first campaign has promoted the most new rules on environmental protection.

b. The DEDEMAN Company has granted in school year 2008-2009, the scholarships for high school students without financial possibilities, from rural areas, totalling of 60,000 lei (14.000 Euro).

C. HENKEL and Association "Save Danube and Delta" was initiated the project entitled "The green children police" (2007) by which has pursued to find for long term solution related to Danube Delta and Danube pollution: changing attitudes of local people and tourists from environment. This is a continuation of a project initiated by Henkel in 2004 year, which had as a main objective the formation of a community who engaged in greening actions and ecological education of population and tourists from the entire course of the Danube.

d. The CARPATCEMENT Company started in April 2007 the 4th edition of the "Together for nature" Program whereby the company has proposed to change the Romanians attitude to the environment, to educate the children in the spirit of environmental protection and to promote the "Nature 2000" Program.

e. The URSUS Company together with "Save the Danube and Danube Delta" initiated in March 2007 a specific program to collect the plastic waste from the Danube Delta. The program was titled "Put lid to the misery from Delta!". As a result of this program implementation it have been collected and recycled more than 7 tons of PET bottles from the 37 tonnes of plastic waste uncollected or improperly stored. The URSUS investment for this action was over 50,000 Euro.

f. The PETROM Company launched in May of 2007 the "Parks of the Future" project with scope to rehabilitate the green spaces. The company has invested 1.5 million Euro for the complete restoration of five parks from different Romanian towns. The parks correspond to the European standards of public parks (safety, ecology and aesthetic improvement) and use the alternative energy mechanism.

g. In the period October 2006 - May 2007 it was held the 1st edition of the national program of social responsibility "Millions of People, Millions of Trees!" which was intended to inform people about the importance and necessity to protect the environment and to attract the volunteers in planting activities. The main goal was the restoration of green spaces from cities and those affected by massive deforestation. As a first result, in first three months were planted 147,332 trees and 96,513 plants by over 17,600 volunteers. This is a permanent program that operates on a voluntary basis system.

4. CONCLUSIONS

The business environment is directly responsible for the future of nations and can contribute directly to social welfare provide, to improve the life quality and ensure a sustainable future. Thus, by favourable functional systems, the business environment can bring the significant benefits not only for active companies on the market, but also for society and its citizens. By implementing the ISO 26000

Standard (the standard of corporate social responsibility), the companies assumes the guarantee of quality and authenticity for products / services realized and taking into account the social impact of the developed production. This standard has become operational for all Member States of the European Union since 2010.

In conditions which the corporate social responsibility will not remain only at the concept stage for Romanian companies, we are convinced that an improvement of living standards and change the perception mode of surrounding factors are just two of the main objectives that will be achieved in the Romanian society, too. The experiences that were granted the big companies, who have "tested" the CSR, show that the benefits obtained are adjudged on both sides: company and society. Thus, we promote the idea according to regardless the company size, its profile and entrepreneurial aims pursued, each company must manifest a more advanced or incipient form of social responsibility. We start from the premise that as long as the support of economic activities of a company is the environment, with all its factors, and the society that sustains and accept the products / services offered by company is, normally, that the recognition from the part of companies, have been evidenced by responsibility manifestation, expressed for people and future generations. A strictly orientation tendency to profitability and gain area is neither sustainable nor healthy for the company and the citizens.

In essence, any company social responsible, sets its goals and priorities, and the common point of interest is represented by ensuring the concordance between the own strategy of company and the principles of a sustainable development.

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