Corporate Social Responsibility and Sustainable Business

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ABSTRACT

In this article, the authors propose an analysis of the corporate social responsibility (CSR) concept together with an emphasis on the role it plays in the context of sustainable development. The article includes a synthesis of the various theoretical approaches to CSR, an overview of the development of CSR practices at a national and an international level, certain authors’ for and against arguments are related to generalising these practices, trends regarding CSR practices at international level, as well as an analysis of the CSR practices in Romania. The research conclusions express the author’s own points of view on the development of corporate social responsibility initiatives at company level and the related benefits thereof.

KEYWORDS

Corporate Sustainability, Social Implication, Social Initiatives, Stakeholders, Transparency

INTRODUCTION

The environment in which business is performed is more demanding and dynamic than ever before. At the same time with the permanent pressures from shareholders related to making profit, companies must live up to higher and higher expectations on behalf of stakeholders with regards to transparency and taking responsibility. The authors make a synthesis of the specialised literature, indicating that the idea of corporate social responsibility meant first of all changing the perspective on business, from a mainly financial performance-oriented model, to once with wider interest in life quality, preserving resources and meeting the general interests of society. Namely, a vision which is circumscribed to the sustainable development principles.

At present, a company’s social responsibility implies more than donating money to social causes or doing charity, but it refers to that honest and upright attitude the company is self-governed by, performs its mission, respects its values and stakeholders, as well as the way in which it communicates and assesses the impact its activity has. A socially responsible attitude means making sustainable investments in the community where the activity is performed. In this context, 21st century company managers must turn social responsibility into a business tool – corporate social opportunity.

Under the pressure of regulations, more and more companies (mainly, but not limited to, multinational ones) have started integrating the social responsibility activity into their management strategy and communicating completed projects in their social commitment annual reports, in addition to the financial-accounting ones. This trend is also embraced by companies in Romania, country where recent studies
have shown that the general public is more and more interested in socially committed campaigns, and consumers are more and more informed and demanding. Romanian companies must understand that responsibility towards society can be a strong element of differentiation, as consumers are more open to messages from companies that aim at the sustainable development of society than to messages from those that are perceived to be focused on profit alone. Moreover, the Romanian market has become more and more competitive and companies must find relevant solutions in order to establish emotional bonds with the public. All these are factors that currently make CSR a powerful tool in building and expanding a brand.

THEORETICAL IDEAS REGARDING CORPORATE SOCIAL RESPONSIBILITY

The specialised literature has recorded in time various and even contradictory definitions of and approaches to this concept.

A chronological presentation of the main authors who contribute to the CSR concept development was made by Carroll. In 1999, Carroll published a vast research whose topic was the evolution of the definitions given to the concept of corporate social responsibility. Although he identifies theoretical references dating back to the 1930s – 1940s, he decides to place emphasis on the intervals after 1950, namely what he considers to be the modern era of corporate social responsibility (Carroll, 1999). Thus, Carroll considers Howard Bowen to be the father of the theoretical CSR concept, with reference to the latter’s paper written in 1953 and titled Social Responsibilities of the Businessman. Bowen defined corporate social responsibility as being “…the obligations of businessmen to implement those policies, to make those decisions, or to take those directions which are accepted by society in terms of values and objectives…” (quote in Carroll, 1999).

In 1973, other authors, Eilbert and Parket wrote “…that the best way to see social responsibility is that of a good neighbour. On the one hand, it means not doing things that cause damage to the neighbourhood. On the other hand, it can be seen as the voluntary acceptance of the obligation to help solve the neighbourhood’s problems…” (Eilbert & Parket, 1973).

Carroll, in a paper published in 1979, considered that CSR “…implies managing the business in such a way that it is economically profitable and it observes the law, ethical principles and social matters.” Carroll brought into discussion four aspects of the concept and called them the corporate social responsibility pyramid:

- **Economic**: The responsibility to make profit for the shareholders;
- **Legal (judicial)**: The responsibility to observe the laws;
- **Ethical**: The responsibility to adhere to the social, moral rules, etc., other than the legal ones;
- **Philanthropic**: “…the responsibility to play a role in the voluntary support provided to a part of society…” (Carroll, 1979).

Dahlsrud (2006) in his turn, identifies five aspects of the social responsibility concept:

- **Environmental Aspect**: It takes into account the companies’ integration of certain environment protection interests into the performance of their economic activity;
- **Social Aspect**: In which social responsibility is presented as a relationship between the company and society, and the company’s role is to contribute to the development of society;
- **Economic Aspect**: In which social responsibility is presented as financial aspects (responsibility to shareholders);
- **Stakeholders Aspect**: In which we analyse the stakeholders that the company must take into account (employees, suppliers, customers, community);
- **Voluntary Aspect**: In which social responsibility is seen as an activity performed by the company, whereby the company sets higher standards in its activity than those set by the legislation in force.

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