

# THE IMPORTANCE OF ENVIRONMENTAL PROTECTION IN CSR POLICY

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*The CSR policy of companies occupy a privileged environment through coaching programs to other interests such as employees, suppliers, customers, authorities and various NGOs. This is why we wanted to see what the environment is important for managers on companies in Romania, the company's CSR policy.*

*In the literature the definition of social responsibility and ways to implement this in practice are often encountered. Some authors claim that societal marketing concept has not found its way into the language of business. From here, there were other terms that had a greater impact on the business environment such as social responsibility. Increasing the company's impact on the environment, the pressure exerted by stakeholders, and identifying positive elements of socially responsible approach have been the main stimulus for development of social responsibility. From that a lot of studies on academic and commercial problem.*

*And the present study fit the same line we conducted a research on 50 companies, it was an exploratory research. As respondents were chosen only marketing managers or general managers or even owners compnaie depending, in other words I tried to go directly to company decision makers in developing and building its image. While this one sample is statistically representative of the point of view we have covered with him in all areas of business activities and of all sizes can say that the results provide a clear enough picture of managers mentality in companies in Romania on business activities with the problem of intereactiunii environment Managers of companies in Romania recognize the environmental problems and say they are implicating in various actions to protect the environment. On the declarative level social environment is one of the most important areas being the most nominated as one of the top three areas of social nature that would involve having the greatest opportunity for development in coming years, over 60% of companies saying they would like to be involved in future environmental programs. Instead, the real actions to protect the environment are relatively few or are carried out not caring for the environment but because of economic worries, because there is an economic advantage for application of these methods. These actions result in social activities and what they had to declare they have made to protect the environment and the ways reporting their concerns for the environment in economical manner. The lack of environmental reports, the lack of certifications and the lack of requirements of certification amond the suppliers shows once again the real place of the environmental problems among the managers interests.*

*Key words: green marketing, ecological products, Romania*

*JEL Classification: M31*

## **I. Introduction**

The policy of corporate social responsibility is a topic increasingly more common in the literature. Concern for the environment came to be in the 70s one of the most discussed topics in the world. The CSR policy of companies occupy a privileged environment through coaching programs to other interests such as employees, suppliers, customers, authorities and various NGOs. This is why I wanted to see what the environment is important for managers on companies in Romania, the company's CSR policy. Since many companies and especially among the young do not have a formal CSR policy, we have formulated questions refering to the social

important of different issues. We did succeed in demonstrating that in statements that there is a greater concern for the environment but actually at quite a few concrete actions. This gives a quality of care for the environment quite poor and will lead to sporadic actions without real content in statements although things are very good.

## **II. Literature review**

In the literature the definition of social responsibility and ways to implement this in practice are often seen (Carroll 1999: 268, Jones 1995: 404, Porter and Kramer 2006:78; Windsor 2001: 225). It shows a development of the concept of environmental care is defined as societal marketing (Kotler and Keller 2008: 29) at social responsibility programs the corporation. Some authors claim that societal marketing concept has not found its way into the language of business. From here, there were other terms that had a greater impact on the business environment such as social responsibility, business ethics, corporate citizenship. (Abratt and Sacks 1989: 25). The debate about social responsibility based on the role that a company should play in society. Increasing the company's impact on the environment, the pressure exerted by stakeholders, and identifying positive elements of socially responsible approach have been the main stimulus for development of social responsibility. This sense at this time many companies report environmental care activities in their CSR policies (KPMG 2008). And the Romans were also made studies on CSR policy organizations. (Stancu 2007: 1212; Baleanu, Chelcea and Stancu 2011, 235), which concludes that CSR policy and began to work in companies in Romania. Therefore we proposed in the present research to see how environmental protection is seen as an element of corporate social responsibility.

## **III. Methodology**

This article is based on a research conducted on 50 Romanian companies. It must be said at once that this research is not representative of all firms in Romania, not being chased an exact textual respondent firms. The research was an exploratory one. Study objectives were to determine to what extent the natural environment is an important issue for companies in various fields in Romania and what place it occupies in their policy issue of social responsibility.

The hypothesis that we left from are that although environment is listed as one of the main concerns of firms in Romania, concrete actions are very few in number and do not support the position that respondent's statements environment occupies. As the research base we have chosen a small sample of 50 companies, 90% of them are private companies, and only 6% and 4% are public respectively mixed companies. As 68% of them have entirely Romanian capital, 16% foreign owned capital and the rest mixed. Most companies, 82% are limited liability companies and the remaining 18% stock companies. As for the work area were chosen companies almost from all activities fields in order to see the point of views from each area. So, there is 1 company from each field like office and stationery, communications, industrial – machines tools, representing 2% of the responses. The remaining areas have had the following representation in research: food, drinks - 8%, chemicals, rubber, 8%, computers, internet, software 4%, tourism, sports, entertainment 8%, electric and electronic 4%, real estate 8 %, processor industry 4%, consultancy services 16%, textiles and shoes 8%, construction, decoration, furniture-18%, and 8% other areas. In terms of number of employees 36% companies have less than 9 employees, 42% have 10 to 49 employees, 18% have 50 to 249 employees and 4% have over 250 employees. Turnover of the firms surveyed were under 50 000 euro 30% of the respondent, 50 001 - 500 000 euro - 40% of them, 500 001-5 million euro - 12% of them, 5 million to 8 million euro -10% and 8% over 10 million euro. As respondents were chosen only marketing managers or general managers or even company owners depending, in other words we tried to go directly to company decision makers in developing and building its image. As said, though this one is not a

representative sample from statistical point of view we have covered with him all areas of business activities and all sizes companies and can say that the results provide a clear enough picture of managers mentality in companies in Romania on the problem of business activities interacting with the environment.

#### IV. Results

Leaving from the research scope we asked managers to put in order of importance the most important roles of the companies from their perspective. Thus 12% of respondents have made contribution to protecting the environment first, 32% of them putting on one of the top 3 environmental protection as one of the most important three roles played by companies. In other words 68% of respondents see no concern for the environment as one of the most important roles of a company. If we compute an average ranking after ordering principle (Cătoi et al. 2009: 168) concern for the environment down the middle as you can see charts and data below (Table no. 1), after supply and services.

**Table no. 1: Name the first three roles of the companies you consider to be the most important.**

	Unmentioned in top 3	Rank1	Rank2	Rank3	Mean
Paying taxes / wealth creation	23	14	5	8	1,2
Create jobs / hiring people	24	8	12	6	1,08
Contribution to environmental protection	34	6	4	6	0,64
Obtaining income / wealth and economic growth	7	5	10	28	1,26
Contribution to social progress	37	4	3	6	0,48
Respecting ethical standards	38	4	3	5	0,46
Contributing to scientific progress / research	41	4		5	0,34
Provision of goods and services	17	2	12	19	0,98
Participation in society / community	36	1	11	2	0,54
Adherence to laws / government regulations	43	1	2	4	0,22

On the other hand, better environmental protection is a term rooted in the collective consciousness. When asked, which would be the three most important areas of social nature a company is supposed to involve into, almost all respondents nominate on one of three positions environmental protection. Thus, although scores the 4-5 place in terms of first nomination, which positions it in the middle of the ranking, it has the fewest unmentioned all areas of social nature. After making a calculation with ordering ranks method it obtain highest average and was ranked first with this indicator with an average of 1,14 (see Table no. 2).

**Table no. 2: Which are the three most important areas of social nature in which a company should get involved**

	Unmentioned in top 3	Rank 1	Rank2	Rank3	Mean
Financial or material support for some social cases (floods, orphans, elderly, etc.)	27	12	4	7	1,02
Solving the health problems of people	31	7	10	2	0,86
Collaborating with educational institutions (schools, universities)	34	7	3	6	0,66
Environment protection	15	6	10	19	1,14
Education	35	6	3	6	0,6
Art and culture	34	5	8	3	0,68

	Unmentioned in top 3	Rank 1	Rank2	Rank3	Mean
Cooperation with NGOs or authorities	37	4	6	3	0,54
Benefits and employee development	22	2	8	18	0,8
The fight against discrimination of any kind (sex, race, age, etc.)	37	1	7	5	0,44

In terms of involvement in social programs in over 50% of all respondents declared their involvement in environmental protection programs, placing this area 3rd beneficial after „Benefits and employee development” and „Financial or material support for some social cases” with 20% of the responses gathered. If we consider that employee development is a social action not without interest from employers regard, we can say that environmental protection sits pretty well in this regard.

In terms of desired social areas to be developed by firms in the coming years, the statements are more than 60% of companies wishing to develop environmental protection projects, scoring first in the rankings even more than the benefit and development of their employees.

As we stated in hypothesis we started from the idea that companies will say that the environmental problem is a problem that interests and they'd like to get involved in solving it. The first part of the questionnaire highlighted this. The second part of the questionnaire was developed not on declarative statements but on concrete answers in terms of environmental care. Anyway we obtained throughout this questionnaire only stated behavior, recording what our respondents wanted to declare and not their actual conduct. We are convinced that an observation based on variables proposed in this second part of the research would lead to even greater differences in terms of lack of care for the environment.

When asked about whether the organization affects the environment in some way, 78% of responses said that was not true and only 22% recognizing that the organization is not environmentally friendly. It is known that any human activity either social or economic produces changes in the environment, the respondents do not think that any economic activity inevitably leads to energy and resource consumption and disposal of waste leads to the environment affecting. Even had a response to an open question where a respondent says that the organization is in financial services and has no way to affect the environment. Seem that the generated amounts of papers on documents are not seen as a pollutant, as they really are. 52% of the responding firms said that they develop environmental protection activities. When they were asked to nominate the types of activities have been related to the purchase of equipment with low energy consumption or production locations rearrangement which probably happened in an economic boost and had as effect a reduction in pollution. Another category of responses was that related to the integration of permitted pollution limits or respecting the rules in force this showing not a care regarding the environment but a concern not to violate the law and to receive penalties. We receive answers that we catalog at the category of confuse responses like the ones mentioning the action of keeping clean at work. As answers with direct link to that question we note the ones that state to manufacture products that have higher environmental quality than those of competitors although we do not know if this was a quality watched in the design or a subsequent realization. But most cases are regarding the selectively collected of waste 6%, the afforestation 6% and recycling 22% of total respondents.

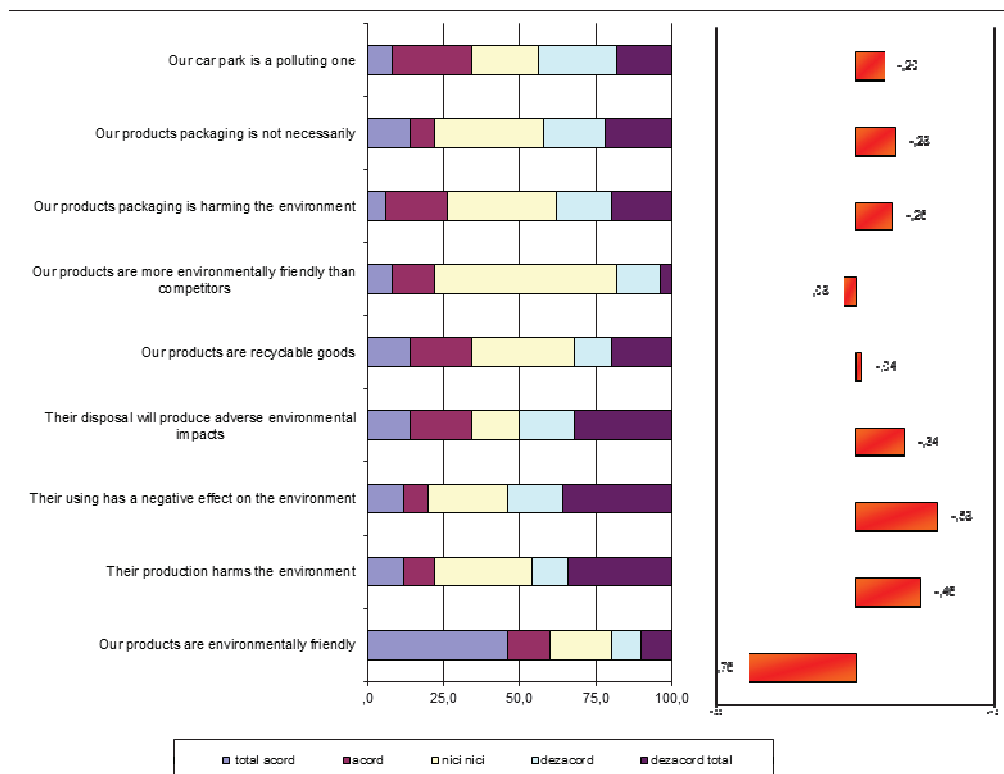
This shows a huge difference between the declared social involvement, environmental protection 54% of respondents see above and effective actions, we believe to be real social action the ones like afforestation the others being only production, economic or legal objective. It said that the question was put like an open question with three possibilities of responses to which the large majority gave only a single response.

Trying to motivate the actions taken we put a multiple-response question. When designing the questionnaire we didn't aimed to do analysis below, but the effect achieved is quite clear. 76.9% of companies say that because of society obligations they were determined to take environmental actions, while 50% of companies said that the legislation in force was the cause and 34.6% that is more economical for the manufacturing process. Here we believe that we capture the declarative character of many responses. Because if you require legislation or find it more economical for the manufacturing process when you cannot declare that your actions are motivated by moral obligation to society. We appreciate also the response of 3.8% of cases and states that the motive was because competitions do it.

If we wanted to see what are the reasons that cause environmental concern we also tried to record in parallel the reasons for them to not have better care. It should be noted that it will always find reasons to excuse the lack of environmental initiatives. Perhaps the most concrete and the most difficult to verify are the financial effort that should be made, over 50% of cases. Lack of time is raised by over 40% of the responding firms. From our point of view this type of response is clearly the type of response to escape from responsibility and it seems the worst kind of response that can be given. Along with another type of response that occupies 11.4% of respondents, that is not a serious problem. Another category 22.7% of respondents said that there is no alternative and 2.3% that is cheaper the current production system. Other reasons listed, that should be categorize as real reason: because we are not oblige by anyone 18.2% and 11.4% because there are not such concerns in the company.

To see other opinions about the environment we designed a battery of 5-steps Likert questions (Cătoiu at al. 2009: 160) for which we have calculated the average and distribution of frequencies graphically. (see Fig. no.1).

Thus we can say that organizations do not consider their products as environmentally harming but rather the usage and their production are environmentally unfriendly. As well as the frequency distribution and the means shows that the statements referring to the competitors' products and to the products quality of recycling the opinions are equally divided and there is not a dominant direction. The last three statements on packaging and on their car park show that respondents believe their packaging is environmentally friendly, that their packaging is necessary and that the fleet that they have is clean. After analyzing all the questions we can conclude that organizations still do not see many problems with the protection that their companies should give to the environmental, the organizations remaining unaware to the environmental issues, being still incarcerated in this economically reality.



**Fig. no.1 Distribution of frequencies and the average for Likert-type statements**

In other order of ideas 70% of companies say they do not prepare an environmental report for the year, 68% said they do not have a portfolio, which it considers environmentally friendly products, and among those who say they have organic products only half could be framed in this category and should be organic textiles, food products, heating systems based on solar energy. Other results of the research are:

- the majority, 62% of firms said they have no requirements on environmental protection for products obtained from suppliers which shows that they have an environmental policy.
- 72% of companies said that the company is trying a reduction in consumption of raw materials used.
- and 86% have do not have an environment certificate and among those who have the most common certifications are TUV and SRAC.

## V. Conclusions

In conclusion we can say that our hypothesis was validated. Managers of companies in Romania realize the environmental problems and say they are implicating in various actions to protect the environment. On the declarative level social environment is one of the most important areas being the most nominated as one of the top three areas of social nature that would involve having the greatest opportunity for development in coming years, over 60% of companies saying he would like to be involved in future environmental protection programs. Instead, the real actions to protect the environment are relatively few or are carried out not caring for the environment but because of economic worries, because there is an economic advantage for application of these methods. These actions result in social activities and what they had to declare they have made to protect the environment and the ways reporting their concerns for the environment in economical manner. The lack of environmental reports, the lack of certifications and the lack of requirements of certification among the suppliers shows once again the real place of the



environmental problems among the managers interests. The main contribution of this article is to be the propose method of research behavior differences between declared and actual conduct. Although the study is not representative of the statistical point of view, the structure is well established the sampled companies obtained an overview of how the thinking of managers in Romania in general and not just big companies as it results from other studies. Companies that have a real CSR policy reason for it that is a good image for the company.

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