SOCIAL RESPONSIBILITY OF ORGANIZATIONS. AN EXTENDED LITERATURE REVIEW

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Abstract: In our paper we review the general topic of social involvement of organizations, in the light of business-society relationship. For this aim we analyze the extensive international literature of corporate social responsibility, corporate citizenship, social philanthropy, sustainable corporation and other related concepts. In this endeavor we categorize the main body of knowledge in three broad areas: (1) papers investigating the definitions and measures of these concepts, including practitioners' opinions, (2) predictors of such involvement and actions, (3) effects of social responsibility manifested by organizations. The second section of our paper focuses on the Romanian literature on this topic, as it is less systematized so far. In this section we focus on the main findings of studies conducted on Romanian companies regarding CSR or related concepts. In the final, concluding section we propose a research methodology for CSR in Romania meant to clarify the impact of the most frequently considered predictors.

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General context
The role of business in society, generally the relations between the economic sector and society are themes of economic thought especially after the industrial development. One can discuss these topics mostly in the context of the three pillars of sustainable development: economic, social and environment. At the foundation of sustainable development lies the idea formulated in the Brundtland Commission's Report (1987) “the satisfaction of present needs without compromising the possibility of future generations to satisfy their own needs” (apud. Serageldin & Grootaert, 2000). In this view the need to preserve the natural resources is the core element. The environmental movements had an important contribution to raise awareness regarding the perils of exhaustion of natural resources as well as their destruction due to pollution.
Also the context of business ethics frames debates of social responsibilities of business. Classic management theorists, such as Drucker, Simon, Barnard, Freeman, referred in their work to aspects of business ethics which can be directly linked to social involvement (Joyner & Prayne, 2002). Social involvement of enterprises is a relatively new topic, which rose both in academic environment as well as on behalf of practitioners. Concepts such as corporate social responsibility (CSR), corporate citizenship, sustainable organization or corporation, are some of the most frequently used in this field. We preferred for this review to keep the generic concept of social involvement in order to be able to retain all these concepts and forms. More, social involvement reflects better the action dimension and less the value one regarding these concepts.
What do we mean by social involvement of organizations?

CSR definitions picture a phenomenon due to which corporations act beyond their economic and legal constraints to the achievement of social and environmental goals, associated to sustainable development (Dahlsrud, 2008). However, numerous theoreticians noticed the inconsistency of usage of the concepts (Garriga & Mele, 2004), as well as the poor indication of the actions which should be considered (Matten & Moon, 2008).

A historical overview of the definitions of CSR (Carroll, 1999), reveal that most of the theories are prescriptive indicating what “must” or “should” be the companies’ attitude towards society. The positive social impact of such activities derives from several sources varying from “duty to society” to the implications of a “social contract” – society sanctions the undesirable activities (Moir, 2001). Probably the most comprehensive theory explaining the need for CSR is stakeholder management developed by Freeman in 1984, which states that companies need to respond to the needs of all stakeholder primary and secondary groups (Williams & Aquilera, 2006).

Critics of these theories consider that the main concern of business is to acquire profit for their shareholders, their main responsibility resuming to this (Friedmann, 1962 apud Garriga & Mele, 2004). More, social actions and investments are pure ideology, the main purpose of these actions remain creation of profit with positive outcomes mainly for the company (Banerjee, 2007). Recent accounts also show that the effect on sustainable development is falling behind (Barth et al, 2008).

One of the most important theoreticians in this area, Archie Carroll (1979, 1991), systematized the levels and forms of social responsibility. First, at the bottom level, we find the economic responsibility translated by profit making (for the company and its shareholders) as well as the satisfaction of clients’ needs. Secondly, organizations have legal responsibilities, compliance to the norms and regulations present in a society at a certain point in time. Ethical responsibilities represent the third level in the social responsibility pyramid. It refers to the companies answers to social expectancies, such as norms and values which influence economic activity. The last level is represented by discretionary responsibilities, later defined by the author as social philanthropy, comprising all the actions conducted from the sole desire to help society. However, in practice motives and types of responsibility are often not as clear-cut as in theory (Joyner & Prayne, 2002).

We will be interested more in this last level, concretely the actions through which companies get involved in society beyond their legal obligations. Namely we will consider donations, strategic partnerships, and financial aid to social causes, adhesion and promotion of a social cause. The beneficiaries of such actions can be clients, employees, stakeholders and community at large (Bibu et al, 2010).

Measuring CSR is a continuous and complex endeavor as it comprises in several aspects which need to be considered (Turker, 2008). More, the cultural variability of values and social expectancies are hard to comprise in a single representative measure (Hemingway & Maclagan, 2004).

One step forward in measuring CSR initiatives is the development of ISO standard 26000 Social responsibility (Castka & Balzarova 2008). The key components of this standard are: Human rights; Workplace and employee issues including occupational health and safety; Unfair business practices including bribery corruption and anti-competitive practices; Organizational governance; Environmental aspects; Marketplace and consumer issues; Stakeholder involvement; Social development (Miron et. al., 2011).

It is worth noting that one of the main counterarguments for CSR is the scandal at Enron, a company which was considered a leader in CSR practices and strategies, yet all proved
to be a lie (Banerjee, 2007; Moir, 2001). The companies entered into crisis mainly because of fraud and misreporting of data. We would consider, along with Turker (2008) that measurement of CSR should be based on actual practices rather than on value references in strategic documents.

Predictors of CSR
The most common predictors of CSR considered in the literature are the soft components of values and culture, both of individual managers, companies, and nations (Joyner & Prayne, 2002; Hemingway & Maclagan, 2004; Aquilera et al. 2007; Baumgartner, 2008; Ubius & Alas, 2009; Du, et.al., 2013 ). These analyses point out in most of the cases that it is hard to distinguish between different levels of these values and their impact. However we consider that it is not even so important whether individual values influence such actions or it is the organizational culture effect, as these are in most cases intertwined. Barkemeyer (2007) includes these topics in the concept of legitimacy. The author considers that it may reflect better both the business case of CSR (having the best interest of the company as its primary drive) and the response to cultural drives.

Another set of factors can be found in the level of development of organizations and its tradition (Roberts, 1992). It is argued that large companies would be rather interested in social issues, and more, these would have the resources to invest in such actions (Aquilera et al. 2007). Most analyses focus on large companies and such a conclusion must be based on a systematic comparison of large, medium, and small enterprises.

We must note also that the effects of policies are also investigated as influencing CSR practices. Regional and national legislations were formulated in order to promote social responsibilities of companies. Though these legislative initiatives vary quite significantly between countries (Albareda et al. 2007) their effect can be noted in many instances (Doh & Guay, 2006).

Effects of CSR
As stated in the second section of this paper, most theories on social responsibility are normative. Starting with Bowen (Carroll, 1991) most of the first theorists considered social responsibility an obligation for business. More, in this period, the negative effects of noncompliance with ethical correctness was discussed more than the positive effects of “doing socially good”.

However, several positive effects were highlighted. First, costumer fidelity was demonstrated by the Walker Information survey in 1994 (quoted by Joyner & Prayne, 2002). Customers declared they would rather buy products form socially responsible companies. In the same manner, employers’ fidelity was argued for by several studies (Joyner & Prayne, 2002; Bibu et. al., 2010). In this line of thought sustainable competitiveness of corporations is a concept comprising of public trust and support as an effect of social responsibility actions (Porter & Kramer, 2006).

Social involvement of Romanian businesses
Romanian studies on corporate responsibility increased in the last years, however little systematic analyses on representative samples were conducted. Most of them focus on managers’ opinions on CSR (Bibu et. al., 2010; Rosca, 2010, Obrad et.al. 2011). Also some investigation was dedicated to the analysis at the level of achievement of European standards by Romanian companies (Olaru et. al., 2011). Other analyses review practices of social responsibility as observable on companies’ websites (Băleanu et al, 2011). Most of these analyses prove that Romanian companies are still at an incremental stage of social responsibility involvement (Olaru et. al., 2011), with actions visible at the surface yet with few strategic orientations (Băleanu et al, 2011).
Future research and final discussion
Based on this review and the limits previous research especially in Romania, we propose a brief methodology which would give important insight in these matters. We consider that the main questions such a study should address are the following: (1) which are the actions of social involvement characteristic to Romanian companies; (2) how do companies choose the areas of social involvement of Romanian companies, and (3) which are the factors influencing the involvement of companies in social activities, in comparison to companies without such involvement. Answering such questions contextualize the discussions regarding CSR in Romania and also complete the systematic analysis of the drivers of social involvement of organizations. Regression models would allow us to fill in the gap of a comparison of different drivers of CSR. There should be two main phases in such an analysis, after the literature and policy level reviews. The first should permit the construction of a typology of social involvement of Romanian organizations. Such a typology can be elaborated by systematic analysis of data available on companies’ websites, official reports and statistics. Second a survey of practices and opinions of managers is needed to assess the impact of different drivers both in involvement vs. non-involvement in social responsibility actions, as well as to explain the choice of a particular field of social investment. In this regard it is essential to construct a stratified sample, comprising of firms involved and not socially, and also firms involved in different CSR activities. Such a sample should reflect the general economic area, in terms of size, activity domains, age and other aspects. The authors of this article wish to continue investigations in this area, by implementing the main directions of this methodological frame.

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