

CSR (CORPORATE SOCIAL RESPONSIBILITY) AND BUSINESS DEVELOPMENT, IN THE GLOBAL CRISIS

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Abstract:

Both experts and practitioners agree that in context of the global crisis, CSR (Corporate Social Responsibility) has become an objective necessity, a means by which any economic system may become the most competitive and dynamic in the entire world. In fact, CSR is a new strategy, for those competitive actants from this century. The variety of CSR models offers as many opportunities for business development. Models, programs, campaigns, effective CSR activities should be designed in order to involve both management and employees. Opportunities and benefits of integrating CSR in business are shown both in theory and in practice. An analysis of firms in Romania which are using CSR is reporting that assuming social responsibility is leading to the development of business. Experience of those firms is beneficial to other companies that are beginning to realize the need to use the concept of corporate social responsibility as an effective tool in developing their sustainable competitiveness. This is because CSR is a profitable long term investment, on organizational and societal level.

Key words: CSR, development, economic crisis, CSR models

JEL classification: L2, M14, M21, O16

Introduction

The knowledge economy is exerting the idea that businesses exist in a national framework to meet social needs and not just those materials. Under this approach to business, the macro social perspective, it is necessary to take into account the concept of CSR (Corporate Social Responsibility) as the purpose of business, specifically their socio-economic function is to satisfy the conditions as best social needs not only consumers, but all persons concerned (employees, suppliers, partners, social organizations, residents of local communities, regional, regional, national).

In the global economic crisis, interest firms in CSR has increased significantly, given that one way to survive and pass the crisis is creating and providing real value. The reason for social accountability was just making a profit as a result of fair valuing the efforts made by the firm.

The implications of the economic crisis on business

It cannot determine the extent to which businesses have been affected by economic crisis or if small businesses were more or less affected than big business. The fact is that all businesses have suffered a greater or lesser extent. Also, successful models from a field of activity may not always be applied in full or in another area of activity to another organizational dimension. But all businesses, regardless of field of activity, size, structure, organizational systems, capabilities, stock relational, community communication, networks, etc. can assume social responsibilities.

The statistics show that total turnover of the industry in nominal terms in 2009 compared to 2008 was lower by 14.4%, while in 2010 compared to 2009 it grew by 12.0% due to growth in capital goods industry (+ 18.8%), intermediate goods industry

(+16.1%), the energy industry (+15.1%), durable goods industry (+6.6%), household goods industry (0.4%). Labor productivity in industry recorded a growth of 12.5% in 2009 compared to 2008 and 17% in 2010 compared to 2009[7].

Businesses in the construction sector also registered declines in the last two years, on average 15%. Also, in 2009 compared with 2008, turnover decreased and retail firms excluding motor vehicles and motorcycles (10.3%), developing businesses in the virtual market (trade products via mail order houses or via Internet recorded increases of 110.8%). Obviously, the downward trend continued in 2010, decreased since 2009 of just 5.3% [7]. If we consider the activities of wholesale and retail trade, maintenance and repair of motor vehicles and motorcycles, it is noted that, overall, the turnover volume of enterprises of this type decreased by 37.3% in 2009 compared to 2008 and 6.6% in 2010 compared to 2009. The turnover of wholesale trade enterprises recorded a decrease of 16.2% in 2009 compared to 2008 and only 1.1% in 2010 compared to 2009. Companies that have offered business services increased and were recorded in 2010 compared to 2009 with 3.1% [7].

In the economic crisis was noted that neither the business nor tourism has been increasing their values. Thus, the arrivals in the establishments of tourist reception decreased by 13.8% in 2009 compared to 2008 and 0.7% in 2010 compared with 2009. Index net of accommodation in 2009 was down by 6.6% compared to 2008 and by 2.8% in 2010 compared to 2009 [7].

The analysis of statistical data shows that 2009 was not profitable for some business and disastrous for some others. Returning in 2010 of the most business generated by reducing costs, including labor, does not disclose application development methods. However, even in times of crisis, there are businesses that have continued to grow, albeit at a slower pace. These businesses are characterized by integrating CSR into their strategies.

CSR contribution to business development in the crisis. Effective CSR business models

Obviously, the reality shows that many profitable Romanian businesses assumed social responsibilities from the first day of operation, without knowing that they do so, having a direct impact on their development. Thus, for example, many companies are concerned, since its establishment, to conduct professional development programs for employees (training programs and lifelong learning), but also safety and occupational health programs.

An analysis of firms that have reported case studies of CSR, highlighted by "CSR Romania", shows that CSR is a profitable long term investment, organizational and societal level [8]. Although, at this point cannot know the true extent of the phenomenon, no information on multinational companies with expertise in CSR came outside and have adapted their Romanian specific models, but also Romanian companies that are engaged in various actions, activities and CSR programs. What is unknown is given based on CSR strategies and implemented by businesses in our country. It is true that there are many businesses that use CSR activities to improve company image among customers and partners.

The global economic crisis and generate knowledge-based economy field of action and opportunity to assert the concept of CSR as backdrop offers CSR to demonstrate their value to business development. The introduction of CSR in the organization, leadership, motivation, control and business valuation is not an end in itself but an effective way for business development. Social responsibility by any company is its social commitment that should benefit all those involved, including the company.

In general, companies are choosing the field of social involvement depending on their field, but after a dialogue with stakeholders and analysis of the importance of their

concerns and expectations. Thus, firms in the banking industry is involved in CSR projects in culture, education and financial inclusion, the fight against corruption, diversity and equal opportunities, etc. Businesses are concerned about audiovisual projects for e-inclusion, digital security, and health. And those of heavy industry in environmental protection programs, safety and health at work, involvement in local communities, etc.

Now, we can say that successful business model is a model in which value creation in business also means creating value for society. Thus, a survey of Echo Research shows that visionary companies focus on measures which go beyond business development for the sake of development [2].

The same study shows that the CSR model efficiently in any business is to be performed by partnerships and alliances between NGOs, public sector companies. Moreover, CSR activities must be developed continuously and consistently in accordance with the principles of sustainability and, obviously, as part of business strategy company [6]. Companies that have implemented CSR as active responsibility will not give up the moral and social commitment, no matter of context. Moreover, the companies surveyed said they have reviewed the CSR and sought to integrate into their overall strategy. These companies are exploiting, in times of crisis, opportunity is the CSR development.

A review of the relevant companies in the highly publicized CSR leads to the idea that, despite the marked economic downturn, these companies do not change CSR budgets conversely, the amounts allocated to CSR programs recorded significant increases. Thus, for example, Rompetrol and Petrom allocated amounts in the millions of CSR programs. Allocating Rompetrol Group, the group, about 1 million dollars, an amount necessary to implement some projects (more than in 2009), as the "Together for everyone." Petrom investment in CSR in 2010 was 3 million required for CSR projects in education, environment and health. By attracting European funds, in 2011 the company plans to invest five million Euros in a project of 25,000 unemployed advice [5].

Obviously, these companies do not want to change their business strategies based on the assumption of responsibility towards all concerned, but if you would like this would be practically impossible, because the CSR is highly integrated in their Strategic Management. Certainly, in times of crisis, some companies have managed CSR shares at PR or marketing or even tempted to give up such activities. But these companies do not assume social responsibilities to all interested, but aimed at obtaining advantages linked to image, sales, and customer loyalty in a short time. Moreover, these firms cannot succeed unless it addresses the long-term CSR as social commitment.

Examine how to make CSR companies have taken such actions, programs and projects integrated into their overall strategy, reveals that innovation in CSR process is as important as in any field of socio-human activity. Seeking new ways of business accountability to employees, environment, community, partners, society, etc.. and address the actions, activities, programs and projects in CSR, is the key to success, and thus in business. Also, the economic crisis has revealed that in the field of CSR and business firms that must develop a behavior proactively, i.e. the context and parameters necessary to create effective social responsibility and business development firm. A business relation with all its stakeholders must teleological guided by the human factor is key CSR issues.

All the economic crisis has taken the concept of social enterprise wing is directing business to social entrepreneurship. CSR in Romania are focused on environmental protection and less on education, entrepreneurship and economic inclusion, financial, sports, human rights, social inclusion, etc. CSR reporting in our country lack of transparency in respect of amounts allocated CSR programs contribute

to the lack of reporting. In other countries, CSR reporting is their debt, while in our public CSR report shows a lack of consideration to all firms concerned because either entirely lacking, either because they are written according to universal standards (Framework Global Reporting Initiative - GRI).

Conclusions

Evolutionary perspective of the concept of CSR shows that it is maturing beyond the content identified according to the theory of stakeholder groups, as the social impact of businesses located in the middle of an existential crisis. So companies are not only socially responsible to their shareholders or owners, employees, creditors, suppliers, distributors, consumers, local communities, government and government agencies, but also to the people or society in general. This means that CSR is a cross-business function, with positive repercussions on the business itself, the community, actants and society in general. Committing capital by requiring companies not only integrate CSR in global business strategy, but also developing and implementing a concrete and measurable action plan and assessment activities, public reporting and request for response from all stakeholders.

Specialists CSR research studies agree that a less developed country in terms of information, moral and social need for knowledge, introduction and application of principles, policies, actions and patterns of CSR becomes more acute. Obviously, is the case in our country.

In perspective, CSR is approached as a critical factor for improving the economic and social systems, not only as competitive advantage of companies and business development tool.

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