Chapter 56
The Social Responsibility:
Conceptual Interferences and Motivational Factors Specific to Corporations

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ABSTRACT

This chapter focuses on the topic of social responsibility and the interference with other concepts like business ethics, cause related marketing, or corporate governance. In addition, the study presents the motivations of companies that are implicated in different Social Responsible programmes. The main objective of this chapter is to delimitate the concept of social responsibility from other concepts and to present the main motivations for companies that run different SR programs.

INTRODUCTION

The Social Responsibility (SR) is a concept promoted by international organizations like United Nations, Organization for Economic Cooperation and Development or European Union through different principles or guidelines. In theoretical field, the specialists have different opinions regarding the social implications of companies, institutional investors, universities, cities or other entities. The diversity of opinions regarding social responsibility interfere with the many related concepts like business ethics, cause related marketing or corporate governance.

Social responsibility is manifested in varying degrees, with a segment of businesses that intentionally or not, escape or are not aware of social responsibility. The main promoters of social responsibility are transnational companies, which benefit from the experience and expertise accumulated in their home countries. By example or through various levers, these companies determined the local businesses to engage social. The main problem faced by SMEs is the small size of financial and human resources available. They do not have enough money for social responsibility actions, for their reporting and information of the public in this regard, which is why it is considered that their social performance is lower.

Background

The literature considers that the father of the concept of social responsibility is HR Bowen. He believes that organizations are required to "pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of society." Social responsibility is motivated by the fact that business exists because society and therefore businesses must meet society's expectations and behave responsibly towards the community.

Other specialists (Carroll, 1979) believe that "the social responsibility of business expectations include economic, legal, ethical, and discretionary elements that society has from an organization at a time." Moreover, it was "developed" an iron law of responsibility: those who do not use their power responsibly can lose (Keith, n.d.). The author of this theory considers that social responsibilities of a business can be measured by social power (Davis & Blomstrom, n.d.).

However, some economists have denied corporate social involvement, saying their only objective is to maximize shareholder profits and only individuals have social responsibilities; the companies are responsible only to their shareholders and not to society in general (Friedman, 1970). For this reason, charity should be made only shareholders - individuals, not companies. Companies are considered some artificial persons (legal), and therefore will have artificial responsibilities. Moreover, Friedman dismisses them businessmen and managers who talk about social responsibility as some "innocent puppets of the intellectual forces that undermine the free society and preach the undisguised modern socialism" (Ionescu, 2006) and SR programs are actually promoted a mask to justify some expenditures and actions. Thus, despite the pros and cons of corporate social responsibility, the companies are increasingly involved in society and their efforts are supported by international organizations, central and local authorities and various institutions that are initiated various partnerships or SR developed principles that can be adopted voluntarily or had various legislative initiatives. Moreover, even ministries were set up social responsibility in the UK and France.

CONCEPTUAL DISTINCTIONS AND INTERFERENCES

Business Ethics

The increasing complexity of the economic environment in which economic agents act has led to the emergence of a number of debates on the importance of the decisions of the individual or legal persons, decisions which may affect the work and lives of other people, such as employees or consumers. The development and expansion of transnational corporations have led to the emergence of new issues of the context in which they are acting as moral correctness criteria may vary in time and space.

As a result, we see the public focus on the work of these companies, the intensification of interest expressed by the academic world by publishing numerous studies and articles and even the inclusion in business schools educational plans of the "business ethics" discipline. More, we see a growth of experts on ethical issues (corporate ethics officers), independent consultants, operators who focuses on ethical investments (ethical investment) and runs the audit activities, monitoring and evaluation of the ethical companies as PriceWaterhouseCoopers, etc.

Numerous scandals generated by unethical decisions taken by managers of transnational corporations have led to the "institutionalization" of ethics in business which consists of increasing concerns to improve the business climate through the adoption of codes of conduct or establishment of ethical committees at corporations and in the establishment of organizations or associations which fight for ethics in business.

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