

# Chapter 7

## CSR Initiatives: An Opportunity for the Business Environment

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### ABSTRACT

*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. As this is a concept with a relatively brief history in the Romanian business environment, the authors include references to relevant papers in the specialised literature throughout this chapter. The chapter includes a synthesis of the various theoretical approaches to CSR, an overview of the CSR practices development at national and international level, certain authors' for and against arguments 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 own points of view on the development of corporate social responsibility initiatives at company level and the related benefits thereof.*

### 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.

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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, 21<sup>st</sup> 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:

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