

Corporate social responsibility. Knowledge of the process in Romania

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Abstract. *Corporate social responsibility (CSR) is today one of the most important processes that can be incorporated into the management strategy of any company that speaks about itself in terms of social implication, responsibility, good community relationships, eco-friendly and good neighbor to the community in which it operates. In this study, the author presents data from a research conducted in Romania, in Cluj-Napoca city, in order to identify the issues that citizens of this city know about the social responsibility of companies and their view on the causes that determine companies to engage in such programs. The present study is a continuation of a larger research done in 2011¹, published in 2012.*

Keywords: *corporate social responsibility, Romania, Cluj-Napoca, public relations, reputation.*

Introduction

The present study is part of a larger research started back in 2011 that proved that at that time the citizens from Cluj-Napoca know less than was expected about the concept of CSR, believing that CSR is a process that brings extra image capital,

1 For more details for this study see Veronica Ioana Ilieș, *Public Relations and the corporatist social responsibility: theory and social action*, Presa Universitară Clujeană Publishing House, 2012.

reputation and notoriety to the company that joins it, excluding the business component of the process and the social responsible one. Being at the beginning of its development in Romania, the process of CSR is, in the author of the current study opinion, not correctly understood by the main targets of the companies, the citizens of the communities these companies are working in. To continue the research done in 2011, the author decided to find out the main perception about CSR, after three years in which CSR developed a lot in Romania². In order to have a comparison and an evolutionary view, the author has chosen the same target for our research, the citizens from Cluj-Napoca, Romania. The author is interested if CSR is now properly understood individually and whether the companies' involvement in CSR in the past three years is visible to the same citizens that were the target of the research, three years ago.

Brief literature review

Known as one of the most complex and dynamic processes of the XXI century, CSR stands socially-responsible companies all over the world among the most favorable perceived once, by consumers of goods and services. They are, in majority of them, supporters of a society based on sustainable development, which means finding a balance between the environment, society and economy are (California Green Solutions 2007; Pfau, Haigh, Sims, Wigley 2008; Center for Sustainability and Excellence 2005; Lewis 2003). Considering that 95% of large companies in Europe and the USA believe that sustainable development and sustainable business is the key to success in business (Giddings, Hopwood, A`Brien 2002, p. 187), CSR comes out as a great business opportunity. Companies also tend to the idea of responsible citizens of the community. (Ripken 2009). Such as, today most companies change their beliefs and attitudes about the social environment in which they work. Businesses received new management approach and no longer confined only to economic issues. In most cases companies added other variables to business strategy that goes beyond the mere desire to increase economically. A sustainable growth is now based also on integrated programs of corporate social responsibility (CSR). By adopting this idea, the company will be forced to reassess attitudes towards the environment and especially to all categories of stakeholders.

Authors, such as Drucker (Drucker 2007, pp. 326-342) consider that a "healthy" business can not exist in a "sick" society. Therefore companies should have an increase interest in healing society, even if its illnesses have nothing to do with the activity of the organization. In other words, in order to enable a healthy

2 There are today some very well informed sites about the development of corporate social responsibility in Romania: www.csrmedia.ro, www.responsabilitatesociala.ro, www.csr-romania.ro, www.actionamresponsabil.ro.

environment, companies should identify the major dysfunction of the area in which they perform and came out with settlement programs. In this context a dysfunction of the society could become a good business opportunity and lead to a win-win strategy, which will benefit all entities involved, both problematic and those that will provide solutions (Druker 2007, pp. 326-342).

The reasons why CSR process took extent, especially in developed countries of the world are many. Activity reports made by companies but also by governments of countries that have seen win-win opportunities in the process, are confessing that the development of CSR in some parts of the world came as a response to unfavorable situations occurred in the last decades of the XX century, in whom many companies were involved, especially American once. In this context but also in the globalization one, business community wanted to be directly involved in challenges such as climate change, social exclusion and world poverty, issues that become growing concerns in their management strategies (European Parliament 2003).

In order to be in harmony with the environment in which they operate, the company needs to balance its economic, social and ethical issues and must take account of all categories of stakeholders (Lantos 2001). Other reasons that led to the development of CSR internationally and drew attention to the new role of companies, which according to the *International Institute for Sustainable Development* are: sustainable development, globalization, governance, the impact of corporate sector, communication, financial capital, business ethics, communities, leadership and new business tools (Hohnen 2007, pp. 7-8). The same research suggests key benefits of companies implementing CSR strategies: 1 better anticipating and managing possible risks, 2. improve reputation management, 3 enhanced ability to recruit, develop and retain staff, 4. improving innovation, competitiveness and market positioning, 5. increased capacity to improve operational efficiency and better cost savings, 6. to attract and build effective relationships and effective supply chain, 7. enhanced ability to deal with change, 8. a better 'social license' worth of work in the community, 9. access to capital, 10. improved relations with regulators, 11. a catalyst for responsible consumption (Hohnen 2007, pp. 11-12). We can add here the five basic principles of CSR, developed and implemented in 2000 by *Business Impact*: 1. to treat employees fairly and equally; 2. to act ethically and with integrity; 3. to respect basic human rights; 4. to support the environment for future generations; 5. to be a neighbor worried about the community in which you operate (Moir 2001, pp. 7-8).

Regarding Romania, the issue of corporate social responsibility is not such vast in the literature. A study made public at *The 47th Congress of the European Regional Science Association* discusses social responsibility in Romania in the context of sustainable development, emphasizing the novelty of the process but also its

importance in the international companies operating in Romania, adapting CSR programs to local aspects. The study notes an increased national interest on social involvement implication of companies. This fact is also proved by the subject of the *International Organization for Standardization conference* in Romania which aims to implement voluntary basis and ISO 26000/2008 on social responsibility (Vuță *et al.* 2007, p. 9). Other works from Romania debating corporate social responsibility (Korka 2004, Tiriteu, Etkin, Helms 1998; Nemoianu 2010; Bibu, birth, Gligor 2010, Mushroom 2011; Stancu, Olteanu 2008; Iamandi Constantine 2011, Stancu, Chelcea, Baleanu 2011; Dobrescu *et al.* 2009; Ilies 2011 and 2012) are speaking about its evolution at both economic and individual-level perception of the process itself.

If refer to people from Romania, they know less about corporate social responsibility than people from more developed countries. As already have been noticed at the begging of this study, in 2011 when the author have conducted a research (Ilies 2012, pp. 241-329) in Cluj-Napoca city on the subject of CSR, specifically of the way in which one perceives the image, reputation and popularity of the organizations that are involved in the social life and have programs of CSR. The main concern was to see if companies that develop CSR programs are perceived as having a good image, an enhanced reputation, a greater popularity and if these elements motivate the employees, produce devoted consumers, improve the relation with the investors, strengthen the overall image of the company, and highlights the relationship between CSR and PR. The research revealed the fact that a great number of respondents (83,1%) consider that the goal of a company involved in CSR programs is to improve its image. More than 90% of the citizens in Cluj-Napoca do not know the fact that corporate social responsibility is a new way of managing a business. More than this, citizens of Cluj-Napoca (73,1%) do not understand the meaning of the concept "corporate social responsibility" confusing it with a simple social campaign done only for helping the company that implemented it to gain image capital. To strengthen this conclusion the author have the percentage of 80.3% assigned by the respondents to the aim of the company to promote itself by means of social programs. The company's reputation is perceived as being affected positively by social implication by 80.1% of those questioned, indicating that the improvement of the reputation is a goal of the company at the moment of the development of the social programs. Also 80% of the respondents said social implications helps to enhance popularity. The profit raise is seen as a goal of these companies – 72.2% of the respondents, while making devoted consumers is greatly realized, as seen by 70.6% of the respondents. The help provided to community by these companies is greatly perceived as a goal of the company by 23.6% of those questioned, while 64% of them consider that this goal barely exists.

Literature on the CSR concept demonstrated that a good corporate social responsibility campaign provides not only economic advantages, but:

- will also help the company to improve its image,
- it will bring the company a reputation of good citizen and good neighbor for the community,
- it will enhance the popularity of its products or services,
- it will make devoted consumers,
- it will motivate the employees to perform,
- it will improve the relations with the investors and business partners, and
- it will raise the profit of the company.
- will help the company to learn new things about the social and community strategies, about the problems faced by the community, about its compatibility with these problems.

Research questions

As all of these are proved by the literature but also by the CSR programs that companies in Romania (and also in Cluj-Napoca) are implementing³ in the last years, the author of the current study have decided to reply a part of the research conducted in 2011. The research questions referred this time to:

RQ1: Is the CSR process perceived, in 2014, correct or incorrect by the citizens of Cluj-Napoca?

RQ2: What is the opinion of the citizens of Cluj-Napoca, in 2014, on business involvement in social responsible and community responsible programs?

RQ3: How are companies engage in social responsibility programs seen by respondents from Cluj-Napoca city?

RQ4: To what extent CSR campaigns are seen as a good opportunity to earn a good capital image and reputation?

RQ5: Do respondents know CSR campaigns conducted in Romania?

Methodology

For collecting data there have been used the sociological survey with its instrument the questionnaire, applied to a number of 593 respondents, both masculine (41,2%) and feminine (58,7%), age between 18 and 60, all living in Cluj-Napoca from at least 5 years. The survey included questions about perception of

3 To be seen: www.csrmedia.ro, www.responsabilitatesociale.ro, www.csr-romania.ro, www.actionamresponsabil.ro, websites that present a large part of the CSR activity in Romania in the past 3 years.

social involvement of companies in Romania, interest in the social life and issues, awareness of the concept and characteristics of CSR, knowledge of companies that have implemented CSR programs and knowledge about CSR campaigns, perception of the image, reputation and popularity that a company involved in CSR programs has. All these aspects were included in the research conducted in 2011. As the author intended to compare data, he decided to keep that part of the questions useful for this research that were also used in the questionnaire applied in 2011.

Findings

If in 2011 the novelty of CSR in Romania could be easily observed both in the theoretical literature and the perception of the phenomenon among citizens of one of the largest cities of the country (50% of them not knowing at that time the concept of CSR and the characteristics of this process), in 2014, Cluj-Napoca citizens are in a higher percentage (63.2%) familiar with the idea of corporate social responsibility in the community. One reason for this may be that, Cluj-Napoca has enriched its image along with cultural projects that are monthly taking place here, in the context of the participation of the city in the contest for winning the title of "European Youth Capital of Culture in 2015"⁴. Also, companies operating here have proven that social involvement in community shortcomings represents a good business opportunity for them too. A good prove for this is the map of CSR projects undertaken in the city of Cluj-Napoca, which can be consulted on www.hartacsr.ro, web site that offers a vision of CSR projects undertaken in Romania by companies operating in there. Another variable that is more visible now from 2011 is represented by the environmental performance of companies. If in 2011, the concern for the environment was seen as an important issue for companies by only a 33% of respondents now this variable is visibly increase at 41.6% of respondents. Also while in 2011, only 28.7% of respondents felt that companies are concerned about the working conditions of employees, currently, 38.8% of respondents noted that their employer puts a greater emphasis on working conditions.

In order to see if CSR is perceived rightly or wrongly in 2014 by the citizens of Cluj-Napoca, the author found it necessary to check out if they are familiar with the features of this process. Thus, if in 2011, only 23.9% of the quizzed considered that donations are components of corporate social responsibility, presently this is believed by 43.2% of respondents. Social assistance programs were seen as components of CSR by 27.5% of respondents, today being correctly understood by 37.4% of respondents. Also, 21.1% of respondents in 2011 felt that supporting community foundations is not a duty of companies. Today, however, 33.7% of

4 For details about this project, please visit www.cluj2015.ro/romana.

respondents believe that modern companies are able and have the duty to support community projects of the community foundations.

Knowing that many of the companies operating in Romania, but also in Cluj-Napoca (see table below) have been involved in many educational projects in the past three years in this category share increased the most from 2011. So if in 2011 only 25.8% of respondents felt that supporting educational programs could be an issue for companies, currently 51.7% of respondents believe the same. This percentage proves that educational programs in which companies were involved were very visible for citizens. A high percentage compared to 2011 is the one of the programs implemented to support people with disabilities, where in 2011 only 19.2% have received this as important for companies, as opposed for today (29.5%)

Referring to the first two research questions (*Is the CSR process perceived, in 2014, correct or incorrect by the citizens of Cluj-Napoca?* and *What is the opinion of the citizens of Cluj-Napoca, in 2014, on business involvement in social responsible and community responsible programs?*) and given the above data, the author asserts that the corporate social responsibility is much better understood by the citizens of Cluj-Napoca in 2014. They have a clearer view of the social involvement of companies and the social responsibility programs. Also, given the fact that 53.2% of respondents recognized at least one CSR program developed locally, proves that the process is emerging, benefiting from greater visibility and responsiveness of the citizens. They believe that every company should engage socially, underlining that some of them have done so already.

Moreover data gave an answer to the third research questions (*How are companies engage in social responsibility programs seen by respondents from Cluj-Napoca city?*). Companies involved in social programs are seen as being friendlier and more willing to establish a balanced relationship with employees, their families and the community as a whole (70%).

Social problems identified by citizens of Cluj-Napoca are the same as in 2011. So 80% of respondents observed that the community they are living in is experiencing financial problems, poverty, and disease, problems in education, family violence, school dropout, and family abandonment.

If in 2011, 83.1% of respondents felt that the main purpose of a company that realizes social campaigns is to improve its own image, to promote itself, to increase their reputation and popularity and of course the profits, in 2014 the difference is that citizens have seen positive changes after carrying out CSR programs. In this context, over 80% of them said that as long as the community benefits from the programs of corporate social responsibility are positive and visible, they are not bothered by the fact that a company is involved socially also for attracting capital image. Moreover, they are eager to buy products from these companies at the expense of social involvement once.

As seen in the table below, companies involving in CSR programs are in an increase progress in Cluj-Napoca. In this context the answer to our research question *to what extent CSR campaigns are seen as a good opportunity to earn a good capital image and reputation?* is an evident one. Companies involved in CSR programs will always benefit of a better image and reputation among consumers, strengthening the idea of a win-win process. Over 70% of respondents have heard at least once about projects such “Tara lui Andrei” (Petrom), “Clujul are suflet” (Banca Transilvania), “Zambet pentru viitor” (Danone), “Saptamana sanatatii mintale” (Groupama), “Premiile mentor pentru excelenta in educatie” (MOL Romania), “Bursele Ursus: studenti pentru comunitate” (Ursus Breweris), “Umbrela verde” (Tuborg). Thus the answer to the question *Do respondents know CSR campaigns conducted in Romania?* is completing the overview made by the author in 2014 on this subject.

Table no.1: View of some CSR programs in Cluj-Napoca

Company	The CSR campaign	Year	Partners	Budget	Number of beneficiaries
BT	“Conteaza pe educatie”	2012	International Collage Cluj	35,000 E	1,600
BCR	“YouthBank”	2012	Asociatia pentru Relatii Comunitare	35,000 E	unspecified
BRD	“Asistenta educationala pentru copii din saltele jurul orasului Gherla”	2012	Fundatia Teka-Gherla	800,000 RON	14 project on prevention of school drop-out
BRD	“Centrul de consiliere Frate de carte”	2012	Fundatia Copii Fericiți	800,000 RON	14 project on prevention of school drop-out
Romtelecon	“Copiii de la pata rat au sansa unei vieti mai buna”	2013	Fundatia Dezvoltarea Popoarelor	4,998 E	100 childrens
Groupama	“Terapie asistata de animale pentru copii”	2012	Asociatia Minte Forte	unspecified	12 childrens
Groupama	Sponsoring “Saptamana sanatatii mintale”	2013	Asociatia Minte Forte	unspecified	unspecified
Holcim	“Renovarea spa’iului din curtea Ioan Bob”	2012	-	unspecified	600 childrens
MOL Romania	“Premiile mentor pentru Excelenta in educatie”	2012	Fundatia pentru Comunitate	18,000 E	10 teachers
MOL Romania	“Spatii verzi”	2012	Fundatia pentru Parteneriat	150,000 E	106 projects
Orange	“Scenarii de invatare bazate pe tablete PC”	2013	Scoala Gimnaziala Speciala pentru Deficienti de Auz Kozmutza Flóra	20,000 E	18 schools
Orange	“Hear-Ring”	2013	Universitatea de Medicina si Farmacie Iuliu Hatieganu	50,000 E	3 schools

Source: www.csrmedia.ro/

Conclusion, limits and future research perspectives

Given the fact that these paper refers to the correct or incorrect understanding of the process of corporate social responsibility in Romania, the author came to the conclusion that there still are citizens that does not understand correctly or totally

the meaning of CSR. Thus, the author can confirm the fact that the CSR process is much better perceived in 2014 than it was in 2011. In only three years, the process developed a lot and companies offered citizens the possibility to learn about social implications. By communicating their social involvement programs, companies set up the meaning of this social progress. Even if nobody can give aside the fact that social involvement brings lots of imagine, reputation and financial benefits to the companies, citizens from Cluj-Napoca received, in 2014, the idea of CSR, in a positive manner.

The **limits** of this study refer to the fact that the author have chosen to study only one city from Romania. Because the city of Cluj-Napoca is a dynamic one, dominated by a variety of social situations, the data obtained from the analysis performed in this research can not be generalized to other cities. Moreover, this paper aims to highlight the social situation of Cluj-Napoca and perceptions of citizens living there, on a new phenomenon. Being a university town the knowledge on this topic maybe higher than in small cities of the country and less than bigger cities, such as Bucharest, the capital of Romania.

Future research perspectives are related to the idea of reapplication of the other two research methods applied in 2011: interviews with PR specialists, in order to have a view about their perception of the CSR process and the correct/incorrect understanding of it in Romania in 2015 and also about the connectivity that this has with the imagine benefits of social implications of companies and, press content analyzes, in order to compare data form the content analyzes from 2011, in which the author intended to identify the presents of this topic in the national press.

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