

## THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON THE COMMUNITY. CASE STUDY.

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### Abstract

*In the paper, starting from the more common examples of companies supporting social activities of the communities, we proposed a study of the impact of these activities on the main categories of beneficiaries. As a research method, the quantitative study was used by means of the questionnaire, applied face to face by the interviewers, on a sample of 301 persons, in the period October - December 2015, in the South Muntenia Development Region, from Romania. The responsibility to the society can be a very powerful differentiate element for the companies, as the consumers begin to be more receptive to the messages of those who aim the sustainable development of society than of those who are passive on this aspect and are perceived as having the profit as the sole aim. In Romania, researches were not made on the consumers' attitude towards the social responsibility of the companies, interviewed persons, they had to be explained the concept in order to participate in the enquiry. Among the responses of the interviewed persons, 82 percent, consider that the companies assume a series of social responsibilities, to the extent that the effects are beneficial for their profit. In conclusion, we can say that the investigated population perceives the organizations as being in the early stage of implementing social responsibility initiatives.*

**Key words:** community, economic profile, education option, perception, social responsibility

### INTRODUCTION

In the context of globalization process accelerating, the companies are forced to develop new strategies to remain competitive on long term. Increasing the quality of goods and services provided and maximizing short-term profit are not enough. Adopting a socially responsible behaviour, the companies gain many advantages, differentiate from the competitors and contribute to the sustainable development [6]. Different audience categories put higher pressure for developing economic activities in a responsible way.

These trends manifest increasingly stronger in Romania too, especially after joining the European Union. Beyond the social responsibility that organizations have to the communities they belong to, such programs become marketing tools that bring undeniable benefits of image, exceeding the status of mere producers of goods and services, by programs that generate not only long term results, but also attitude [2]. Bowen (1953) mentions that the owner, the businessmen

and, the managers must “assume consciously the responsibility for the common well and to stop their own interest and authority when exercising them harms them and harms the individual freedom” [1].

What is the perception of the beneficiaries of the evidence of social responsibility? Who are they, what are they, how they think, how they act and especially react to the company intentions and actions? This study proposed to answer these questions.

### MATERIALS AND METHODS

In order to obtain valid information on the impact of social responsibility actions made by the companies in Romania for employees, customers and other economic and social categories, a study based on survey was designed, during October - December 2015 and involved the following steps: (1) formulating the research hypotheses, (2) designing the questionnaire (3) selection of the investigated population, (4) selection of the respondents sample (5) information

collecting and processing. As a research method, the quantitative study was used by means of the questionnaire, applied face to face by the interviewers, on a sample of 301 persons in the urban area, in the South Muntenia Development Region.

The questionnaire comprises 13 questions and was divided into two parts. Part I, the contained filter questions on age, education of the interviewed persons, field of activity, the position they have in the place of work. Part II contains 9 questions and it serves directly the purpose of the research, aiming to track the specific aspects on knowledge of the notion and initiatives of social responsibility, personal involvement in such initiatives, the main reasons why the companies in Romania practice social responsibility, the modalities for the companies involvement, causes that should be supported by the companies in the context of this concept, other aspects.

## RESULTS AND DISCUSSIONS

Many researches made during the last decade underline the importance of the responsible and sustainable corporatist behaviour. ("M. Hopkins (2006) puts the findings in the context and measures their meaning for the near future") [5].

A healthy society needs healthy companies and vice versa. No social program can rival the business sector when it is about creating jobs and improving the living standard. Moreover, the feeling of involvement of the employees of a company must not be underestimated, who following such an action feel they are part of an important and impact action [4].

Those who support the social responsibility actions use four arguments to sustain the case: moral obligation, maintaining on the market, reputation and operation license. The greatest weakness of the social responsibility programs results from the fact that they are not interconnected with the business [3]. Consequently, the companies must identify, prioritize the actions which have the greatest impact on the consumers' group they address to.

Regarding the level of studies of the interviewed persons, the predominant level is high school – 52 percent, followed by faculty level - percent, secondary and vocational studies -19 percent, and 5 percent, post university studies. The respondents' age, is contained between 18 and 70 years old. The share, on age categories, is represented by the segment 35- 59 years old, with a percent of 54. Persons with different positions and studies were interviewed, just to give an image closer to the reality of the conceptions on the perception on the concept of social responsibility. At the question "Do you know the concept of social responsibility", 49 percent of the respondents answered YES and a percent of 51, NO. At the question "In you opinion, the social responsibility must be practiced rather by": a) companies; b) NGOs; c) state institutions, a percent of 34 of the respondents associate the concept of social responsibility as being specific to the public institutions, 21 percent, of NGOs and 45 percent, of companies (Fig. 1).

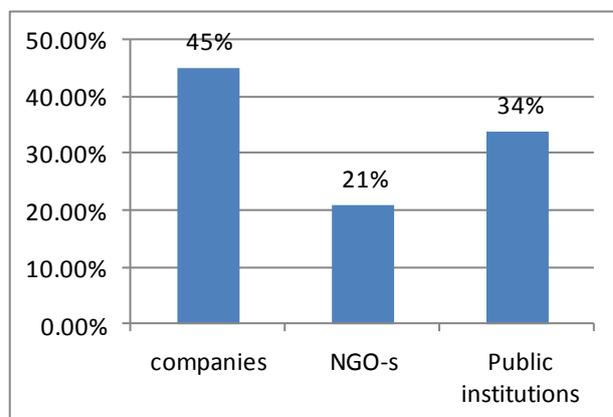


Fig. 1. The structure of the answers regarding the social responsibility practicing

At the question "Were you involved in initiatives of social responsibility", 31 percent, answered YES and 69 percent, answered NO. It is remarked the fact that, those who were involved in such actions, are most of them from the age segment 35- 59 years old, have studies – faculty level and management positions.

Among the responses of the interviewed persons, 82 percent, consider that the companies assume a series of social

responsibilities, to the extent that the effects are beneficial for their profit.

At the request: “Evaluate the following initiatives, according to a scale from 1 to 5 (1= the least important initiative, 5= the most important initiative) depending on the importance you give to it”, 43 percent, of the respondents, consider as being priority those who aim their own employees, 12 percent, support the talents, 19 percent, those which support contests and other actions in the educational sector, 11 percent, those which support actions in the health sector, 8 percent, those which support the persons found in poverty situations and social exclusion ( Fig. 2, Table 1 ).

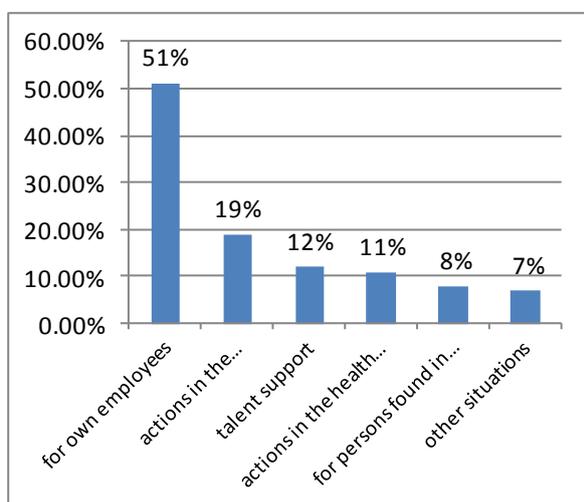


Fig. 2. Prioritization of actions of social responsibility

Table 1. Affirmation evaluation

| Nr crt | Affirmations  | Evaluation |     |     |     |     |
|--------|---|------------|-----|-----|-----|-----|
|        |   | 1          | 2   | 3   | 4   | 5   |
| 1      | Environment protection                                    | 40%        | 26% | 12% | 12% | 10% |
| 2      | Talents support   | 14%        | 14% | 20% | 20% | 32% |
| 3      | Contests and other actions in the educational sector      | 6%         | 2%  | 4%  | 42% | 46% |
| 4      | Actions for their own employees                           | 0%         | 0%  | 1%  | 25% | 74% |
| 5      | Actions in the health sector                              | 12%        | 6%  | 16% | 30% | 36% |
| 6      | Persons found in poverty situations and social exclusion. | 50%        | 9%  | 9%  | 16% | 16% |

Among the respondents, 91 percent, would like to work for those companies that they perceive as socially responsible and they can even be committed and proud to work for such companies.

At the request: “Make a hierarchy of the

below factors, which could encourage the actions of social responsibility (1= the least important factor, 5= the most important factor) depending on the importance you give to it”, 87 percent, consider that the favorable fiscal legislation would be the main argument. At the question “The actions of social responsibility serve to the interest of”: a) the employees; b) community; c) organization, a percent of 22 answered they serve to the community interest and a percent of 71 answered they serve the organization interest, to make known and to increase the sales. A percent of 7 answered that the actions sever to the employees interest, which become proud of the organization they work with (Fig. 3). As regards the respondents’ involvement level in such activities, 56 percent, answered favorable.

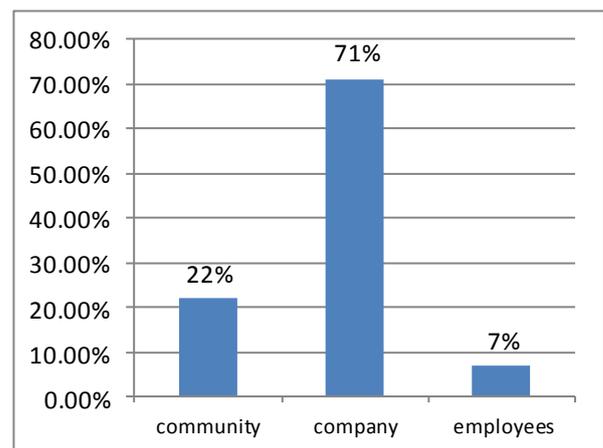


Fig. 3. Whom do the actions of social responsibility serve to?

At the question “In case, the organisation you are part of, would initiate actions of social responsibility, would you prefer to be”: a) passive observer; b) participant; c) coordinator, a percent of 58 answered that they would participate, a percent of 26 answered that they would like to be coordinators of the actions and a percent of 16 answered that they would not like to involve, but to remain only observers (Fig. 4).

At the question if and how much they would be willing to pay for a product if they had the certainty the a part of its value would be directed to actions for the community, 52 percent, answered that they would not pay

extra, but they would buy more products, because it is the company obligation to be responsible to those who use the services or buy the products.

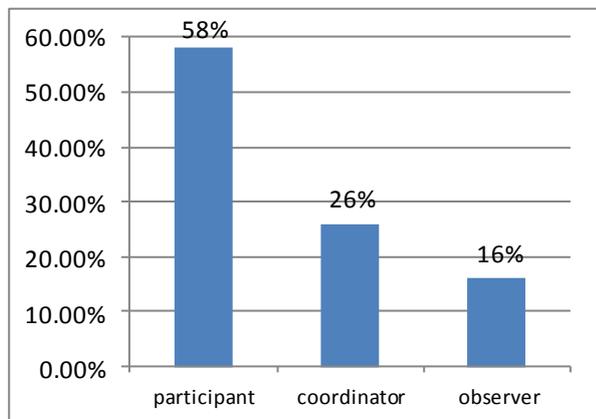


Fig. 4. Modality of involving in actions of social responsibility

So, the consumers know more and more their rights and learnt to ask for responsibility from the companies.

## CONCLUSIONS

As a main conclusion of this study, the social responsibility must become an integral part of company strategy. Thus, it has the guarantee that the company assumes responsibility to the society, by programs that generate not only long-term results, but also attitude.

At the microeconomic level, the activities of social responsibility can generate a series of positive aspects: creating an environment of trust and pride for the company employees, it generates developing some strategies to avoid or minimize the risks and benefits at financial level. The positive contributions to the social development must be considered by the companies as long-term investments in strengthening a safer, better educated and more responsible community life [7].

There is a positive correlation between the age of the interviewed persons and the frequency they indicated that they implemented social responsibility actions, correlation that remains also for the positions held in the companies and the number of social responsibility initiatives that they developed. Thus, the age category 35- 59, the majority of respondents have higher education and hold management

positions, most active in this respect, compared to other socio-professional categories and age.

One of the questions that management had to respond over time, was whether the activities they undertake to be others than those aimed at maximizing profit. It appears, however, that corporate social responsibility is a marketing tool that can bring profit. The first community for which a company has to be responsible is made by its very employees. The other community on which the responsible spirit of the companies spread is the public.

In conclusion, we can say that the investigated population perceives the organizations as being in the early stage of implementing social responsibility initiatives.

There is a significant positive correlation between the extent to which such initiative are implemented and their managerial performance, given that 71% of the respondents perceive these initiatives as being in the favor of the organizations, that advertise, keep loyal customers and increase their profit.

The companies perceived as being socially responsible can benefit by wider and more satisfied customers, the present study regarding the community's perception on the social responsibility of the company, demonstrates this very aspect.

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