

CORPORATE SOCIAL RESPONSIBILITY AS A KEY TO DEVELOPING SUSTAINABLE BUSINESSES

RESPONSABILITATEA SOCIALĂ CORPORATIVĂ CHEIA SPRE DEZVOLTAREA SUSTENABILĂ A AFACERILOR

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***Abstract.** Prezenta lucrare urmărește aprecierea rolului Responsabilității Sociale Corporative în activitatea entităților și importanța acestora în crearea unui mediu sustenabil. În prezent, unul din elementele strategice esențiale pentru dezvoltarea afacerilor sustenabile este considerată Responsabilitatea Socială Corporativă. Aceasta este o abordare de afaceri care contribuie la dezvoltarea durabilă prin acordarea de beneficii economice, sociale și de mediu tuturor părților interesate.*

Problemele actuale ale omenirii, precum încălzirea globală, deficiența resurselor, criza alimentară, sărăcia, războiul și inegalitate - au nevoie de soluții pe care sectorul privat le poate oferi. Întreprinderile răspund extinzându-și angajamentele dincolo de responsabilitățile lor specifice și intrând într-o zonă de oportunitate strategică prin implementarea practicilor de responsabilitate socială. Responsabilitatea Socială Corporativă este un concept foarte larg care se axează pe diverse subiecte, cum ar fi drepturile omului, guvernanta corporativă, sănătatea și siguranța, efectele asupra mediului, condițiile de muncă și contribuția la dezvoltarea economică.

Totodată lucrarea livrează exemplul unei corporații ce promovează practici de responsabilitate socială în activitatea sa, pentru a evidenția importanța Responsabilității Sociale Corporative ca factor esențial pentru dezvoltarea unui mediu sustenabil în Republica Moldova.

***Cuvinte cheie:** Responsabilitatea socială a întreprinderilor, Sustenabilitate, Dezvoltare sustenabilă, Filantropie, Întreprinderi sustenabile.*

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INTRODUCTION

The concepts of sustainability and corporate social responsibility have emerged as two of the most prominent global trends in the last decade. These two concepts – sustainability and CSR – have gradually converged, and they now cover identical dimensions and are frequently used as interchangeable terms.

The importance of CSR in businesses' activity has grown rapidly in recent years, reflecting not only a business advantage but also a focus on the expectations of stakeholders to be considered, showing a close link between business performance, competitiveness, and sustainability. The modern society expects that the business will provide a social service and help to solve some of the oppressive social and environmental issues, in addition to taking care of their own economic interests. At the same time our world's problems – ranging from climate, water, and food crises to poverty, war, and inequality – need solutions that the private sector can help provide. Businesses are responding by expanding their commitments beyond their specific responsibilities and entering a strategic opportunity area.

The purpose of this paper is to assess the importance of Corporate Social Responsibility in the process of developing sustainable businesses, to explain what is the purpose of including CSR into organizational strategy and why it is necessary for companies.

CORPORATE SOCIAL RESPONSIBILITY

The importance of Corporate Social Responsibility (CSR) has increased in the last decades, making it a must for organisations to engage in socially responsible practices in order to develop their businesses in a sustainable way. Besides the fact that the implementation of CSR programs has a positive impact on the society, it also brings tangible benefits to the company itself. Many authors suggest that companies can benefit from undertaking CSR practices and generate positive outcomes for the internal and external environment of the organisation. In the modern world it is relevant for

the companies to keep the social reputation and demonstrate a good corporate citizenship, and CSR is a strategy that can help entities in building a socially conscious brand image and improve its profile in the eyes of the customers. In addition to a strong valuable brand position on the market, Balcerowicz affirms that enterprises living up to their CSR policy do not have to worry about social licence to operate. [2, pp.15-28] Companies may increase their reputation and profits by gaining legitimacy. CSR will also help a company stand out from the competition by placing itself as a model of ethical behaviour, encouraging customers to buy the products and supporting it in other ways.

Another benefit of CSR activity is that responsible businesses attract investors, because usually individuals tend to contribute to entities that promote ethical values. Porter and Kramer also believe that being a socially conscious organization involves not only expenses and charities that bind management, it also helps them and society as a whole. [4, pp.78-93]

The evaluation of businesses' effects on the society and environment was the context in which the CSR term firstly appeared. Nowadays, the definition of CSR is linked to ethical and moral issues regarding corporate decision-making and behaviour. CSR is concerned about issues such as environmental protection, health and safety at work, relations with local communities and relations with consumers.

From the beginning CSR was associated with corporate philanthropy, stewardship principles and business ethics. After a long process of evolution, CSR became an ethical and responsible path for corporations; therefore, different authors view CSR as a way of developing higher and higher standards of life, while maintaining the corporation's profitability, for people both inside and outside the corporation.

The World Business Council on Sustainable Development (WBCSD) states that: "Corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life", while "Sustainability is a way of living and working that allows the global population to meet their current needs of economic security, health and general realization, without compromising resources for generations to come". These resources include the planet, people, and profits, all of which are related to the Triple Bottom Line, which stands for environmental, economic, and social sustainability. The overall objective would be to achieve a balance between these two interconnected and equally desirable goals.

Sustainability and CSR are seen as similar terms since they both consider environmental, social, and economic aspects and both apply to a long-term perspective focused on addressing current needs responsibly while not sabotaging future generations' ability to meet their needs. According to Dahlsrud, sustainability and CSR see companies as development agents rather than tools. [3, pp.1-13] In addition, CSR is increasingly being regarded as the business contribution to the sustainable development agenda. At the same time, an increasing number of businesses around the world are undertaking serious attempts to incorporate sustainability into their operational activities.

It is important to understand what is the purpose of including CSR into organizational strategy and why it is necessary for companies. Companies should perceive CSR as an essential element in the core strategy, because of the fact that businesses and for-profit organizations are in the contemporary world the most powerful and dominant institutions and because they have at their disposal rich resources that can be applied to solve social and environmental problems, they need to take responsibility for the society as a whole and the environment we live in. Spiller considers that with the introduction of social and environmental objectives into organizational strategy, beyond the economic one, it is intended to do well while doing good. CSR strategy reduces activity costs, increases employee morale and loyalty, and improves productivity because "working for socially responsible organizations helps employees feel that their work serves a greater purpose" [1, p.318]. Significant new expectations related to social responsibility or triple bottom line exist in relation to business, precisely because business was immensely successful in meeting the old expectations or as Souto states in relation to the CSR: "everybody in the academic and business spheres agree that it is a fundamental strategy for achieving the sustainable development that our globalized world needs" [6, p.38]. While in "recent years the business increasingly has been perceived as a major cause of

social, environmental, and economic problems”, it is “widely perceived to be prospering at the expense of the broader community”. [5, p.64]

A sustainable business is one that is concerned with the social, environmental, and economic impacts of its current and future activities, as well as the company's ability to satisfy current demands while maintaining the long-term survival of its own and others. In a perfect scenario, a sustainable business will have a positive social, environmental, and economic impact. The triple bottom line refers to a company's commitment to social welfare, environmental sustainability, and economic growth when taken together.

The first dimension of a sustainable business is its social impact, or how well it does in relation to society and social justice. Although there is no simple way to reduce economic consequences while still boosting business success and sustainability, social impact should not be underestimated. The social influence of a company's activities is assessed both internally and externally, ensuring that the company's entire supply chain operations are socially conscious and ethical. The social influence of a business often applies to workplace policies and employment with the company. The social impact of a sustainable company will include issues such as working conditions, diversity in recruiting, opportunities for promotion for women and minorities, a lack of sexism, and the availability of quality health care and other required benefits. Wages, holidays, compliance to employment laws, safety, recruitment, and a variety of other unique labour policies are often considered to have a social impact. Finally, social impact requires the impact of the corporation mostly on local public and social services sector. Besides the employment policies, the social impact is related to the recognition and respect of the stakeholders. A sustainable business is willing to make efforts to ensure its policies, practices, products, advertising, and other aspects of the business are not offensive or disrespectful to clients in the global market.

The commitment of a sustainable enterprise to environmental quality preservation, also known as environmental impact, is the second dimension of sustainability. Sustainable businesses tend to reduce environmental costs while simultaneously improving company performance and profitability. A company's environmental effect frequently applies to activities including resource utilization, waste, toxicity, and pollution. Recycling programs are also part of a successful business's waste and toxicity reduction activities. Sustainable businesses consider buying reusable office equipment, chairs, and other necessities, as well as recycling or donating their own surplus products. Many sustainable businesses create a green procurement policy, or environmentally preferred purchasing policy, as an integral part of their operations to give preferential purchasing to products and services that are most environmentally friendly. Companies, instead of using paper can use emails, or print and copy on both sides of the paper. Another way of contributing to the environment is buying recycled paper with high percentage of recycled content. At the same time, companies can contribute to the environment by using refillable office products. When a sustainable business considers energy usage, it can turn off all the electronics and office equipment when not in use.

Economic impact is the third component of a sustainable enterprise. A sustainable business would consider its own economic impact on the communities in which it operates, such as job creation, influence on local wages, effect on real estate within the business, tax flows, investment in deprived areas, impact on public services and social service systems, as well as other indicators that the business has positively influenced while maintaining corporate profitability. A sustainable business will look at its suppliers to ensure that they are included in the supply chain of other businesses that have common principles and policies. It is expected that the contribution of the company to a strong and stable local economy will result in a good and healthy future for the business.

Following this, I would like to give an example of a company in the Republic of Moldova, that serves as a great representation of how businesses can contribute to the development of the society. Moldcell Foundation is a platform that unites all of Moldcell's social responsibility initiatives. Moldcell Foundation's mission is to positively impact the lives of Moldovans by combining digital transformation and the use of technologies based on its Digital Responsibility key areas: Education, Society, Social Impact Investment, and UN Sustainable Development Goals support. With the support of Moldcell Foundation, ARTCOR School came up with new opportunities of educational

courses, workshops, and open classes in online and offline format for the young people who want to try themselves at the creative professions in the fields of interior design, design and sound production, music, podcasting, illustrations, comics, 3D animation, storytelling, etc.

CONCLUSION

All things considered, CSR has evolved from an independent and specific concept to a widely recognised and demanded corporate practice that should be incorporated into the core of the business, and has become an essential component of strategic business management, among other areas of a company. In this context, CSR refers towards how businesses contribute to satisfying stakeholder requirements and demands, especially the role they play in achieving long-term sustainability.

CSR is important to both businesses and the communities in which they operate, and it provides a large range of opportunities and benefits to both. Corporations may achieve financial benefits by working for the common goal in order to create a sustainable environment for the society, while still establishing a favourable image and gaining loyalty and strengthening their market position. The community in which such businesses operate will notice improvements in different aspects, such as education, technology, and infrastructure. To sum up, as we can see in the given example, following the rules of CSR can result in a higher standard of living for those who live surrounded by socially responsible businesses. As a result, the success of an enterprise and the well-being of society should not be placed against each other.

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