

ANALYSIS OF THE CONCEPT OF SOCIAL RESPONSIBILITY AT THE LEVEL OF CORPORATIONS

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ABSTRACT

Due to the global nature of trade, connectivity and advances in communications and technology, there is a high degree of awareness and realization, especially among customers in advanced economies who want to know, not only the quality and safety of the products or services they are buying, but also who provides them and how they work. Given the challenges of global warming and climate change, as well as the need for social responsibility, customers must receive assurances about the supplier's impact on the environment and society at large. The purpose of this work is to follow the involvement of various industries, in actions that have a positive impact on society. Considering the environmental, social and corporate governance issues that society is currently facing, corporate social responsibility actions would be of real help in combating them. The COVID-19 pandemic has brought major changes to humanity, the economy and more. Given the current dire times, do large industries still engage in practices for the betterment of society or do they tend to save resources for themselves? The way companies act, how they capitalize on their potential, significantly influences future opportunities. Corporate social responsibility initiatives should be targeted at national issues in an effective way to address social imbalances.

KEYWORDS: *corporations, COVID-19, CSR, globalisation, reputation*

1. INTRODUCTION

The emergence of the notion of corporate social responsibility (CSR) may be traced back to the year 1920. Nevertheless, the significance of this problem failed to gain much attention from corporate executives until the 1950s, mostly because of the Great Depression and World War II. At the end of the 19th century, businesses were already raising signs of concern about the well-being of employees and their impact on society in general. With the rise of the labor movement and the spread of slums sparked by the Industrial Revolution, businesses began providing social assistance on a limited scale, including building hospitals and bathhouses, and providing food stamps (Ladaru et al., 2022; Belostecinic et al., 2022).

Since entering the 21st century, more attention has been paid to the implementation of corporate social responsibility initiatives and the empirical study of their impact. However, some development of the CSR concept has been continuously observed. More recently, the European Commission has simplified the definition of corporate social responsibility as the responsibility of businesses for their impact on society (Radulescu et al., 2020). It follows that businesses should plan a process for integrating the CSR agenda into their operations and core strategies in close liaison with stakeholders (Radulescu, Bran, & Burlacu, 2019)..

The World Business Council for Sustainable Development also emphasized the existence of a balance of returns on financial, natural, and social capital, thus suggesting the integration of CSR reporting into the annual report (Achmad, 2022). In recent decades, corporate social responsibility as a concept

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has attracted the attention of many management researchers. Most of them have created different models and theories of CSR, which has led to the emergence of several approaches (Campbell, 2007). It was enough to review the commonalities and differences between different theories of corporate social responsibility to create a common form of implementing the CSR approach that reflects the interest of shareholders and the community (Afiuc, 2020).

Regarding small and medium-sized enterprises (SMEs), some owners believe that CSR practices are only relevant for large companies that have the money, people and means to engage responsibly, for a smaller business, the costs administrative and financial exceeding the advantages (Motlaghi & Mostafavi, 2017).

However, SMEs that successfully practice CSR activities in their business development strategy can have multiple benefits (Azar & Ciabusch, 2017).

From reduced risks to opportunities for innovation, greater operational efficiency, lower costs or a positive brand association, a well-implemented corporate social responsibility strategy can be of great value to SMEs (Bran et al., 2020). These businesses are the backbone of national economies and the global supply chains of larger organizations (Bodislav et al., 2020). Alone, their impact is small, but in total, they have a huge impact (Bran et al., 2023). Therefore, it is crucial for SMEs to engage in corporate social responsibility actions.

2. CORPORATE SOCIAL RESPONSIBILITY PRACTICES

According to Tolhurst et al. (2010), it is imperative for corporate entities to engage in social responsibility, as it has become a mandatory requirement rather than a discretionary choice. The notion of corporate social responsibility has emerged as a managerial concept that has gained remarkable traction among the international business community in recent years (Ali et al., 2020). Nowadays, a significant number of both large and small organizations have adopted the practice of issuing Corporate Social Responsibility (CSR) reports, establishing dedicated CSR departments or initiatives. This trend indicates a growing recognition of CSR as an integral component of management, alongside established disciplines such as marketing, accounting, and finance (Jamali & El Safadi, 2019).

2.1. Types of CSR actions by representative industries

Currently, specialists mention a wide range of CSR activities popular with businesses Communication of these CSR activities is the ability to present, explain and share ideas to different stakeholders in an appropriate form. When a company provides data to the public and employees about its CSR behavior, it is actually sharing information about its values and the products or services it launches.

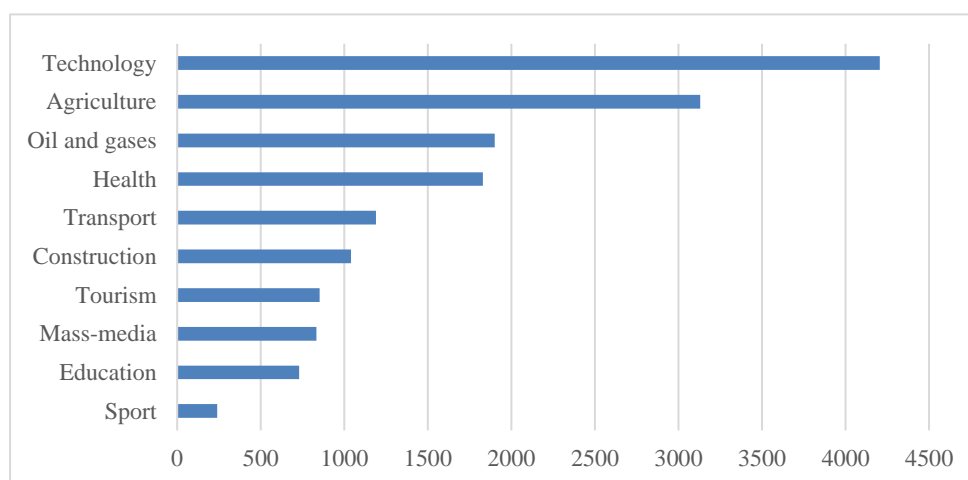


Figure 1. Reporting of CSR actions by industry - number of companies (2020-2021)
 Source: https://www.csrhub.com/CSR_industry_ratings/

Figure 1 shows the number of companies, from different industries, that engaged in CSR actions, then reporting the activity carried out in the period 2020-2021.

Thus, financial, and real estate services, retail trade and the technology sector are the industries with the highest share of CSR involvement, with a number of 7314, 6084 and 4204 responsible companies, respectively.

The data presented highlight that CSR actions vary significantly by industry, given variations in business preferences, social pressure, regulatory environment, history and specific culture of each company, and how these elements interact.

Thus, CSR actions can be classified into three areas, each of which is found predominantly in certain industries: environment, social and corporate governance (Pino et al., 2016).

2.2. Companies with the best CSR reputation worldwide (2019-2021)

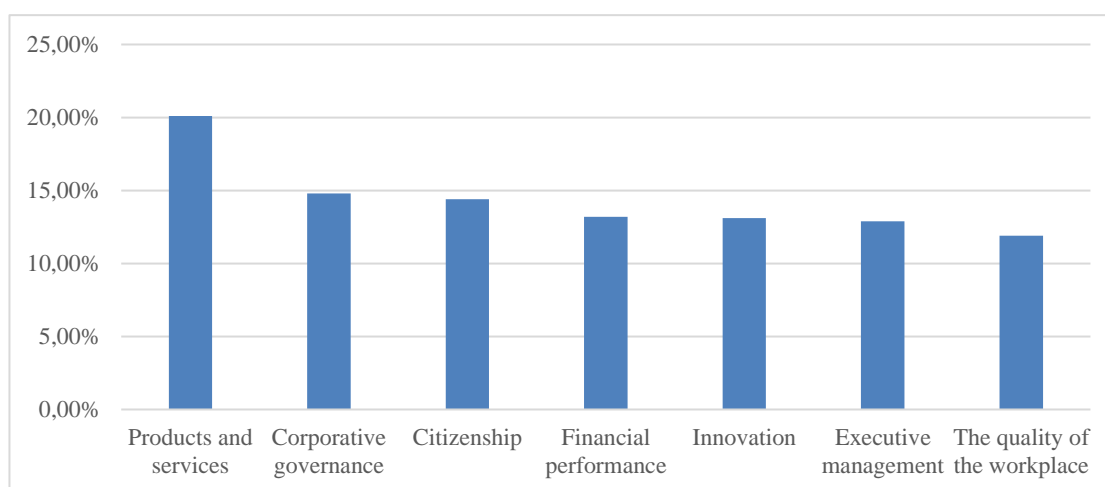


Figure 2. Variables that make up a strong CSR reputation

Source: author, after <https://youmatter.world/>

As can be seen in the figure above, products and services matter most when it comes to CSR reputation at 20.1%, followed by corporate governance and citizenship. Many companies have understood the benefits of implementing CSR activities within business and society. Thus, corporate social responsibility helps to create trust, raise awareness and encourage social change, while significantly enhancing image and reputation

The table below presents a ranking of the top 10 companies that register the best CSR reputation over a three-year period, achieving an increased degree of effectiveness between stakeholder engagement and their positive practices. Compared to last year's ranking, the top 3 in 2021 is still made up of the same companies (Lego, Walt Disney and Rolex). Only Rolex dropped from No. 1 to No. 3, while Lego and Walt Disney, two companies that have ranked in the top 10 for 10 consecutive years, both moved up a position.

Table 1. Top 10 companies with the best CSR reputation worldwide (2019-2021)

Ranking	Denumirea companiei		
	2019	Anul 2020	Anul 2021
1	Google	Rolex	Lego
2	Walt Disney	Lego	Walt Disney
3	Lego	Walt Disney	Rolex
4	Natura	Adidas	Ferrari
5	Novo Nordisk	Microsoft	Microsoft

6	Microsoft	Sony	Levi Strauss
7	Bosch	Tun	Netflix
8	Canon	Michelin	Adidas
9	Michelin	Netflix	Bosch
10	Ikea	Bosch	Intel

Source: author, after <https://youmatter.world/>

The Lego Group - Number 1 company with the best CSR reputation

The Lego Group is dedicated to environmental and social causes. The company says it is guided by 12 responsible business principles, which set expectations regarding its production sites, suppliers, partners, and topics such as ethics, people, children and the environment. They also evaluate the performance of suppliers based on these principles.

The company champions the power of learning through play to inspire children to become the builders of tomorrow and to provide safe physical and digital products that promote their well-being. Lego introduces circular economy initiatives to give consumers the chance to pass on their LEGO bricks to children who need them for play.

By 2025, Lego aims to provide 100% sustainable packaging for its products. In 2019, it began phasing out plastic bags, and in 2020 consumers receive bags made from sustainable paper.

The company aims to reduce the CO2 emissions resulting from the production of LEGO bricks. It has renewable energy thanks to investments in wind turbines in Germany and Great Britain by the parent company KIRKBI A/S. One of the Lego Group's goals is to reduce waste and increase recycling as it examines the materials used in its products. The Lego Group supports diversity in the workplace, bringing together people of different nationalities, genders and abilities. In 2019, women held 43 manager-level positions and 62% of vice president and senior vice president positions.

Walt Disney takes second place

Commonly referred to as just "Disney," the company stands out for its impact program in which \$338.2 million in cash and in-kind donations have been donated to non-profit organizations that bring comfort, inspiration and opportunity to children, families and communities worldwide. In addition, it has invested considerable sums to protect the environment and wildlife.

Last year, Disney installed solar panels expected to power 2 of the 4 theme parks in Orlando. The company also supports waste reduction, is involved in recycling programs and encourages workers to commute.

Rolex: the third company with the best CSR reputation

The Swiss manufacturer whose CSR communication is somewhat hard to find has supported missions within National Geography under the Perpetual Planet signature. While some have focused on analyzing melting glaciers, others have assessed the disappearance of rivers, such as Botswana's Okavango Delta.

2.3. The impact of the Covid-19 pandemic on corporate social responsibility

The Covid-19 epidemic is regarded as a noteworthy environmental transformation within the context of contemporary marketing history, with potential implications for corporate social responsibility (Negescu et al., 2021). The Covid-19 pandemic poses a significant barrier for firms in terms of their ability to effectively engage in corporate social responsibility (CSR) initiatives. There have been reports indicating that certain enterprises and shops have sought to exploit the current crisis by engaging in price inflation or making exaggerated claims. The current crisis has inevitably presented corporations with the challenge of demonstrating their dedication to ethical business practices and corporate social responsibility (Florescu & Burlacu, 2021). Certain scholars contend that the financial burdens arising from the pandemic, encompassing both immediate and enduring effects, may prompt companies to prioritize short-term gains, potentially resorting to fraudulent activities and unethical

behavior. Consequently, these firms might curtail their long-term corporate social responsibility (CSR) investments, likely due to resource constraints and mounting pressures to ensure their survival. The Covid-19 pandemic has brought to light and intensified some underlying societal issues, including as poverty and inequality (Aguinis et al., 2020). The empirical evidence suggests that the SARS-Cov-2 virus exhibits no discernible medical discrimination, as individuals from diverse demographic backgrounds display comparable vulnerability to the illness (Popescu et al., 2021). The persistence of substantial disparities in income, health, and education on a global scale presents notable prospects for the implementation of corporate social responsibility (CSR) initiatives (Nguyen, 2020). It is recommended that companies allocate greater resources towards the resolution of societal issues in both the immediate context of the pandemic and in the foreseeable future (Radulescu et al., 2021).

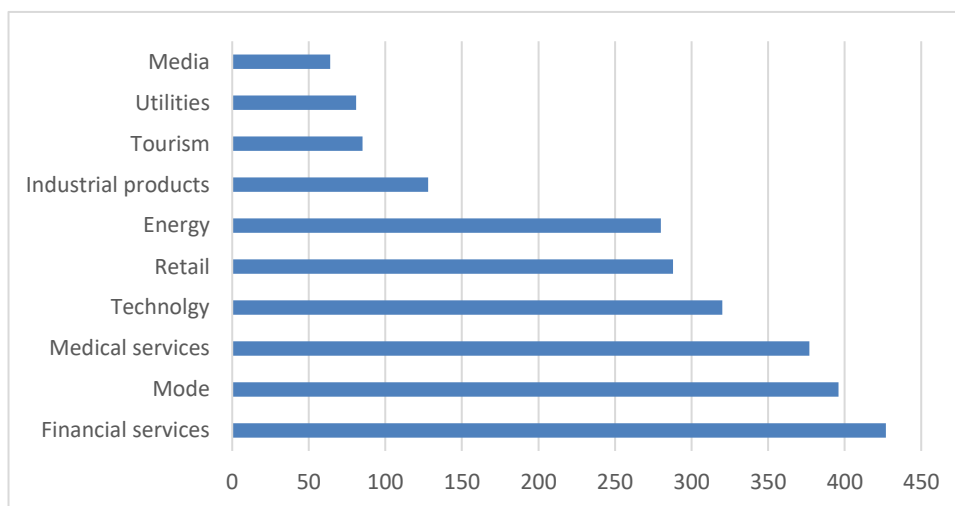


Figure 3. Top 10 active CSR industries during the Covid-19 pandemic (number of companies)

Source: <https://commetric.com/2020/04/06/covid-19>

Figure 3 depicts the data pertaining to the ten industries that exhibited notable activity during the Covid-19 epidemic, specifically in terms of their engagement in corporate social responsibility (CSR) initiatives.

It is evident that the financial services, fashion, and medical services sectors emerged as the most responsible industries within this specified time frame, with a respective count of 427, 396, and 377 enterprises. Undoubtedly, the present global circumstances present a plethora of noteworthy prospects for individuals who adopt a meticulous and comprehensive approach to corporate social responsibility (CSR) procedures.

As exemplified, numerous manufacturing enterprises have undertaken the conversion of their production facilities to manufacture essential medical equipment like as ventilators, personal protective equipment, and disinfectants. Notably, some of these companies have chosen to donate these products rather than engage in commercial transactions (Castilla-Polo & Sánchez-Hernández, 2020). Vodafone, a prominent telecommunications company, has recently implemented a policy wherein a significant number of its monthly subscribers are granted complimentary access to unrestricted mobile data usage. The UK tea company PG suggests establishing a partnership with Re-engagement, an organization focused on addressing social isolation and loneliness among older individuals, in order to provide training for volunteer employees. Corporations allocated their initial advertising campaigns towards the promotion of philanthropic endeavors, while several banks implemented temporary reductions in loan rates.

Various governments across the globe have implemented economic relief measures with the aim of alleviating the imminent strain, particularly on enterprises that are considered most susceptible, such as small businesses and organizations operating in the tourist, travel, and hospitality sectors

(Rădulescu et al., 2019). According to Munro (2013), the use of these measures is expected to incentivize companies to uphold ethical business practices and effectively meet their corporate social responsibility obligations to a range of stakeholders.

Conversely, it is evident from historical records that alterations in environmental factors have played a significant role in enabling the emergence of corporate social responsibility endeavors (Bodislav et al., 2020). A potentially more positive perspective posits that the Covid-19 pandemic will expedite the advancement of post-pandemic corporate social responsibility (CSR). This is due to an increasing recognition among firms and organizations that their sustained viability and progress hinge upon effectively managing the interplay between profitability and harmonious relationships with diverse stakeholders (Vidal & Van Buren, 2022).

3. CONCLUSIONS

The involvement of corporations in responsible activities that have a positive impact on society can be considered a challenge for many of them. Among the stakeholders of a corporation, employees occupy an increasingly well-defined place in increasing the efficiency of the activities carried out.

Since the performance of employees represents a significant factor in the success of the entire company, retailers invest in the professional development of their staff, as well as of young people who are at the beginning of this career, making available to them a series of training programs.

In order to outline the purpose of the present work even better, following the analysis carried out in chapter II, of the types of CSR actions applied by corporations, in representative industries, worldwide, we noticed a real interest of companies to get involved in activities which targets the whole society. Thus, the main three industries that reported CSR actions regarding the responsible activity carried out during the analyzed period, are represented by the financial and real estate sector, the retail and technology industry, with a number of 7314, 6084, and 4204 companies involved, respectively. The banking sector, the energy and utilities industry and the food and beverage industry are the top three industries in terms of the degree of involvement in environmental CSR actions.

Social CSR actions are predominantly found in the retail, technology and fashion industries. The automotive industry, financial services and the aviation industry rank in the top three places in terms of carrying out CSR actions aimed at their own employees. As a benchmark for the implementation of beneficial corporate social responsibility practices, the Lego Group is an example to follow, ranking first in the list of companies with the best CSR reputation worldwide, considering the activity of the period 2020 -2021

The most important industries involved are financial, clothing and footwear and medical services, with a number of 427, 396 and 377 active CSR companies, respectively.

In conclusion, following the data analyzed based on online sources, global and national corporations have developed a real interest in the degree of involvement in corporate social responsibility actions, both in normal times from an economic point of view, but also in critical periods.

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