CONCEPT OF SOCIAL RESPONSIBILITY OF THE ORGANIZATION IN THE CONTEXT OF THE DEMAND FOR SUSTAINABLE DEVELOPMENT

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Abstract
The central purpose of this paper is to know the context in which the concept of corporate social responsibility emerged and the need to find out if it can be considered as an opportunity for a sustainable development by organizations trying to deal with social and environmental issues. Preoccupation for the fate of future generations has become more and more present in the development strategies of large companies, when economic development has also revealed negative consequences such as pollution, forest deforestation and excessive urbanization. Under these circumstances, one must find out if by implementing sustainable development programs, an activity which can change attitudes about the importance of environment on social welfare that each organization must consider. The organization must identify which are the instruments to measure the implementation and the evaluation of social responsibility in order to identify relevant social behavior and to develop appropriate measures and reporting techniques.

Keywords: corporate social responsibility, sustainable development, social accounting.

JEL classification: M14, M40, M41

1. The concept of social responsibility of the organization

The concept of social responsibility, as well as the first academic and theoretical reference, is found in the 1950s in Abrams F.W. (1951) and especially in Bowen's reference book (*Social Responsibilities of Businessman*,1953*)*, where he exposed the fact that the many businesses that

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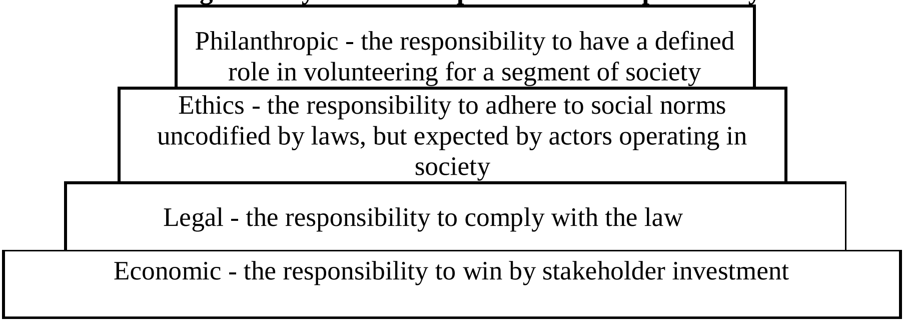
existed at that time represented powerful decision and power centers that affected citizens' lives in many ways. He considered that in this context business people tended to take on certain responsibilities related to society and provided a first definition of social responsibility for businessmen: "*It refers to the businessman's obligations to adjust policies, decisions or follow up those directions of action that are timely in relation to the goals and values of our society"(*Bowen, 1953). The study highlights that at that time 93.5% of business people liked this idea and agreed to develop their business strategy in this manner. At the beginning, the speeches concerned social responsibility without direct discussion of the third part of the concept, namely this corporation being included as early as the 60's. Based on Bowen's founding works, several studies were conducted in the 1960s-1970s to formalize and establish a true body of doctrine for corporate social responsibility. The '80s surprised the work of authors Tuzzolino and Armandi whose vision of **corporate social responsibility** (CSR) is based on Maslow's pyramid. They considered that organizations have certain needs, as well as individuals, some belonging to the top of the pyramid and others to the parts below. Organizations have psychological, security, affiliation, esteem needs and so on and so foth, all parallel to those of the individuals presented in Maslow's pyramid. **Corporate social responsibility** takes place in the day-to-day business of the company. Before moving to authors of the 1990s, Carroll points out that there are not too many original approaches in this decade. Moreover, the period has been shaken by other concepts related to CSR, namely: CSP - corporate social performance, stakeholder theory , business ethics theory and corporate citizenship (Carrol A.B., 1979) . In 1991, he himself offers a new version of the definition compounded years ago, where he sees the idea of discretion as philanthropy. Thus, the four elements of the definition of CSR are now: economic, legal, ethical and philanthropic, underlining the fact that over time they have always existed within companies, but ethical and philanthropic issues have started to occupy a significant place only in the 1990s. By calling them the "pyramid of corporate social responsibility", the four elements are explained as follows (Carrol A.B., 1979):

Figure 1. Pyramid of corporate social responsibility



Source: (The author's projections after Carrol A.B.,1979)

Being a strong point of the CSR strategy, economic responsibilities have also been a subject of interest to other authors. Novak, quoted by Lantos, proposes a deeper definition of what they mean, by dividing them into seven categories (Lantos G. P.,2001):

- Clients satisfied with the goods and services offered at their real value;
- Gaining a fair return on the funds entrusted by investors in order to achieve profit;
- Creating new wealth that can be used by non-profit institutions in order to help those with low wages or the poor ones;
- Creating and maintaining new jobs;
- Hindering upward mobility and providing guarantees that can generally prove people that their economic conditions can be improved;
- Promoting innovation;
- Diversification of citizens economic interests in order to prevent the tyranny of the majority.

Carroll also briefly surprises what CSR should mean: "*Companies in charge of CSR should strive to make profit, respect the law, be ethical and be a good corporate citizen*". The idea of a good citizen offered to corporations still prevails today in the development strategies of big companies. If the economic and legal aspects of Carroll's pyramid are clearly understood, ethical and philanthropic issues require additional explanations. The theoretical evolution of the concept was reinforced by the perceptions of companies' leadership on this phenomenon. Carroll recalls that Bowen, the father of **corporate social responsibility**, was the one which, through his book, “Social Responsibility of the Businessman”, opened the way to his study. Then, in the 60s, CSR literature developed a lot. In the 70s, definitions of CSR have been more specific. The 1980s have few original definitions of the concept, with greater attention being paid to research that has as an objective the measurement of CSR activity. The 1990s did not bring any new definition of CSR, but only small adjustments to the old contributions. As far as CSR’s own fieldwork is concerned, Gowel says that before 1970 it was virtually null. The evolution began after this year when companies began to react to different regulatory standards. The 1980s were those who anticipated the desire for partnership, protection, competitiveness, leadership etc., and the 1990s have been proactive and have highlighted eco-efficiency, management strategies based on the desire to protect the environment. In the 2000s, the situation was already clear, with explicit goals and a changed organizational culture, based on an active management of the general and social good.

Throughout the process of evolution of companies over time, different models of perception and assumption of corporate social responsibility have developed. Literature speaks of the uncertainty of how the process was assimilated and the uncertainty of the reasons for which it was accepted.The authors highlighted in their researches several reasons and ways in which corporations have gone through the process of adopting CSR policies in their agenda. Progress from the desire for sustainability or durability of the business and the assumed social responsibility is complex and dominated by multiple changes in corporate values and an alternative approach to value creation of long-term business. The 2000s are much more specific in terms of corporate social responsibility activity as it gets more and more attention from companies becoming increasingly an important concern in their management strategy.The update of the research is given by the fact that, at European level, it is aware and admitted the importance of standards and social responsibility programs, as well as accounting for and social and environmental performance evaluation of organizations. If we consider that the sole responsibility of the enterprise is to generate profit, it is necessary to study the financial performance of the enterprise as a source for measuring and analyzing social responsibility.

Social accounting represents the process of communicating the social and environmental effects of economic actions of organizations to certain interest groups in society and the society as a whole. Social accounting emphasizes the notion of corporate responsibility by defining a business reporting approach that emphasizes the need to identify relevant social behavior, determine those for whom the society is responsible for its social performance and develop appropriate measures and reporting techniques.It is an important step in helping companies to develop independent financial responsibility programs.Social accounting can be defined as a set of organizational activities dealing with the performance measurement and the analysis of social organizations and the reporting of results to target groups, both within the organization and beyond. According to Bebbington and Thomson (2007), social accounting is an inclusive one, the field of accounting for social and environmental events that arise and are closely related to the economic actions of organizations. Social accounting present specific characteristics that differentiate the financial accounting. Thus, these characteristics can be synthesized as follows:

- Social accounting implies that the enterprise has more responsibility than the simple function of rapping money to its shareholders;
- The approach involves recognizing the role of the business both as a producer and a distributor of earnings among different groups, but also as a measure of the benefits and the social costs resulting from its activities;
- It is a process of identification, data entry and presentation of information concerning an organization able to perceive, to consider the effects of its actions, to evaluate alternatives and to take into account the possible improvement decisions;
- Involves expanding the dissemination of information on employees, products, services to the community, return and reduction of pollution'
- It is about evaluating and taking into account the help of financial indicators, but also about other ways of evaluation, without necessarily having a precise measurement concern ;
- It is a continuous and dynamic process of repetition and negotiation.

Social accounting therefore largely consists in the voluntary dissemination of extra financial information.

2. The social responsibility of the organization in the context of sustainable development exercises.

Through continuous involvement in the internal and external issues of the company, its management must be able to hold all the information it needs in order to know what are the most appropriate measures and decisions to take for the smooth running of the business. It is, therefore, necessary for a manager to take into account in his programs all events that may influence one way or another, in the near future or further away, the activity of the company.

Lasting development involves an assisted projects activity, currently developed, that shall support the company in the future. The forecasts are difficult to achieve and that's why it is far more important for the management to carry out an effective activity at present in order to benefit from future results and opportunities. In this sense, it is essential that the organization to identify the present opportunities that shall issue some others in the future.

Drucker talks about the changes that organizations suffer in modern society and about their need to be part of the community. The desire to work as efficiently as possible in a particular area leads modern organizations to the idea of social responsibility. Through this, they gain power and social trust. We already know that an organization's economic efficiency is no longer the only responsibility it has. Drucker believes that without responsibility the power could degenerate either tyranny or inefficiency, and that is why the necessity of the existence of socially responsible organizations shall not disappear, but it shall increase.

Specialty literature talks about sustainable development by presenting it as the intersection between the environment, the society and the economy. Currently, 95% of large companies in Europe and the US believe that sustainable development is much needed as it is important. Because the term has been understood differently along its development in the business world, it has acquired three types of approaches (Griffin L., Pepper D.,2003):

- **very strong sustainable development** - a radical approach of ecologists, which implies high standards of environmental protection, which consider that the welfare of the individual should not rely on the sacrifice of the environment. The followers of this type of sustainability consider the capitalist economic system is not compatible with strong sustainability;
- **very poor sustainable development** - is represented by global free markets, by capitalism, where privatization, technological innovations and the laws of supply and demand are seen as keys solving environmental problems;
- **sustainable intermediate development** - are mainly determined by the measure in which it intends to intervene in the market economy regulation by affecting the redistribution of wealth, social cohesion, biodiversity of prioritization, energy conservation, the "green"

consumerism etc Concern about the fate of future generations has become more and more present in its strategies of development of big companies, this being felt more acute since the 70s, when economic development has also revealed negative consequences such as pollution, deforestation of forests, excessive urbanization etc.

The consistent discussions on this topic began in 1972 at an ONU Conference held in Stokholm. The central theme was eco-development, a new concept in that moment, which required the approach of economic development in the context of environmental factors. In addition, the report, called the *Limits of Growth*, made by the Club of Rome, came and "forced humanity to realize that economic growth issues are inseparable from those of environmental pollution, the explosive growth of the population, the depletion of resources etc." (Pohoaţă P., 2003). Sustainable development implied for that time the change of mentality on the importance of the environment for social welfare and many major changes that each company has to consider. The answer to this general requirement comes from the people who should benefit from the development of sustainable development programs of social welfare and a visible decrease in social issues of all kinds. In this regard, we can also mention Guillaumont's opinion, quoted by Pohoaţă saying that development should be conceived as being a set of changes in mental structures and social behaviors that allow the growth of the real global product and transforming the particular progress into a generalized social progress.

In 1987, the Brundtland Commission adopts and enters the term of sustainable development , as it gained the adhesion of a large number of stakeholders in a relatively short period of time, the idea being adopted in different jurisdictions: international organizations, national governments, economic organizations, communities, NGOs and the private sector. A series of other international meetings then continued this topic: ONU Conference in Copenhagen (1995), the Conference of United Nations for Environment and Development (Rio de Janeiro, 1992), the Ministerial Meeting of Geneva (2001) etc., supported by various conventions and representative protocols for the activity of the companies: The RAMSAR Convention (1973), the United Nations Convention on the Law on the Sea (1992), Montreal Protocol, the report Our Common Future (better known as the Brundtland) of the Commission for Environment and Development (Ion A., Popescu A., Constantinescu I., 2005). One of the most important such reports is the one adopted in 1992 in Rio de Janeiro, the Convention on Biological Diversity, which established three main objectives: the conservation of biological diversity, the sustainable use of its components and the fair and equal sharing of the benefits offered by genetic resources. Among the newest strategies is that adopted by the EU in 2001, revised in 2006, namely the Sustainable Development Strategy that is aimed at reaching a more prosperous and a more correct company which can manifest in a clean and healthy environment both in the future and today. Thus, it can be said that first of all sustainable development is working in an economic, social and ecological interdependence, by adding it from the point of view of some authors and the technological aspect. Later, it calls for a profound change of mentality at the level of a social system, which must understand that sustainable development watches over a better living. From an ecological point of view, the importance of sustainable development is major, given that the activity of a company can affect not only its area of development, but also the neighboring ones. And without an increased protection of environment, natural disasters are imminent. Thus, awareness of sustainable development must include several categories of objectives: those of the economic, social, ecological systems, all embedded in optimal and sustainable programs (Payne A., 2006).By an internal policy that sees in sustainable development, alongside all benefits already listed here, new chances of being perceived positively by the community, new chances to motivate social entourage and new chances to consolidate from the point of view of the overall picture, the company shall succeed into gaining the trust it needs from behalf of stakeholders. The role of the company is now also to maintain a balance between inside and outside, through programs and activities that meet both their own needs and those of their own different types of stakeholders.

3. Sustainable development and corporate social responsibility.

Sustainable development and corporate social responsibility are processes discussed by literature together, because sustainable development "embraces the three pawns of environmental protection, social responsibility and economic development" (White P., 2009).

The terms are also addressed in the context of globalization. Herrmann K believe that the phenomenon of globalization leads to inequalities in terms of property, environmental degradation and unfair labor practices, all representing epidemical diseases of the process, and corporate social responsibility is seen as that process thought to remedy such diseases and to support sustainable development. Thus, stakeholders have become more and more aware that CSR practice offers more and more advantages in terms of human rights, work, environmental protection and community in general, especially as this predominant force of the modern society, the globalization, allowed to evolve in all parts, shall prevent overall sustainable development. Under the sign of globalization, for example, there are new technologies, which, positively viewed, are useful, but, viewed from an environmental point of view, they can be detrimental.

Finding balance in this context is the solution for a sustainable development process that really brings benefits without compromising the ability of future generations to meet their own needs.

According to the *World Commission on Environment and Development*, this is the limitations of the process of sustainable development that can have two versions: "there are 'hardcore' versions and 'softcore' versions of sustainable development. Hardcore versions impose real restrictions on the nature and the level of development in the name of sustainability. Soft versions treat sustainable development as a set of guidelines and very general objectives" (Herrmann K.., 2004).

As a process so powerful, globalization has raised many questions and concerns about power, responsibility, the role of governments and companies. So, "Multinationals must dare to act responsibly. It also needs to be clearly understood which is the role and the responsibility of global companies, especially when it comes to world development course" (Payne A., 2006).

At the same time, the company should analyze five factors specific to each country in which it operates, as a sustainable development program, which is inadequate to the area, shall not work optimally:

Table 1. Specifics factors of CSR:

Factors specific to each country	**Area of manifestation**
1. The economic factor	which includes economic stability, inflation rate, currency stability, growth and market growth opportunities ;
2. The political / legal factor	which includes government policies, the existence of national and international regulations, the existing legal system and the system for the application of internal mechanisms;
3. The technological factor and the supplier	which includes infrastructure, availability and the use of Internet and other technologies, and legal regulations applicable to suppliers;

4. The social / demographic factor	which includes education and income levels, population, cultural affinities, existing and desirable working conditions, linguistic barriers;
5. Environmental factors	including environmental regulations related to the presence of natural resources and environmental state.

Source: (The author's projections after Herrmann K., *Corporate social responsibility and Sustainable Development* , 2004).

Such an analysis shall allow a deeper understanding of the environment and the economy where the company wants to activate. Through the CSR strategy, the company has to set up a clear set of values: respect and attention for community life, improvement of quality of life, changes in personal attitudes and practices, community awareness to understand their own environment, creating global alliances etc. Literature has identified three the main areas that the CSR policies included in the company strategies influence (Herrmann K., 2004):

- CSR requires the implementation of some main sociable responsible business activities that minimize negative impact and optimize positive impact. Through this, the company shall have to line up to some international environmental, labor and human rights standards as well as to proactive programs that control the risks and social costs associated with their work.
- Companies should focus their social investments on the poorer parts of the host community and implement philanthropic programs to become an integral part of the company's strategy.
- CSR requires companies to engage in public policy dialogues and institution consolidation in order to encourage an environment conducive to both a profitable business and a durable development.

The European Union stated in the report *Green Paper* of 2001 that "competitiveness and profitability, as well as long-term survival bases, are the prerequisites for companies that accept social responsibility. The connection between business success and social responsibility must be seen in next terms: social responsibility together with economic success contributes to the sustainability of a company. Moreover, a sustainable consistent manner of a company shows a desire for a long existence, and "The sustainability of the CSR depends on the sustainability of the company" (Perera CR, Hewege CR, 2010).Benefits of engagement in social responsibility activities shall be visibly higher if the process stays next to the company's development strategy and more than that, when developing products and its services is based on the principles of CSR. This aspect was one of the most discussed at *World Economic Forum* in Switzerland, the conclusion being the following one: "we see social responsibility corporate as a part and a parcel of the business and as part of our core competencies" (Perera C.R, Hewege C.R, 2010). Mutual benefits of the combination of business strategy with CSR and with the desire for sustainable development are no longer a surprise for big companies. Today companies are trying to find those development strategies that meet both market requirements as well as their own business. Thus, win-win strategies are many times preferred because they promote the much-desired "triple bottom line" phenomenon, also known as "people, planet, profit" – "people, planet, profit" invented by Elkington, in which "stakeholders and the community get sustainable development, thanks to company initiatives, while companies gain trust, loyalty and sustainable development" (Kesaprakorn P., 2008). "Triple bottom line" is the starting point of many desirable business of sustainable development. In addition to the target profitability, these companies are also considering two other components: humans and the planet. The benefits of "triple bottom line" or the 3 E-s (economy, equity, environment) – 3 P-s (prosperity, people, planet) as it is called, expand into seven areas (Willard B., 2005):

- easy hiring of the most talented ones
- greater retention power of the talented ones
- increasing employees' productivity
- reducing manufacturing costs
- reducing spending on commercial sites
- increasing income / market participation
- risk reduction, easier financing.

Sustainable development, corporate social responsibility and "triple bottom line" are therefore compatible elements and points of view to be taken into account in the development strategy of companies, each bringing benefits both to the company, the environment and to all categories of stakeholders . CSR is seen as an investment in the "triple bottom line" that supports its mission and the vision of the company and advocating sustainable development. Social corporate responsibility and sustainable development are increasingly complex phenomena of the organizational modern environment.

Fewer and fewer companies keep alive the idea of economic profitability of the company proposed by Friedman. Just as important as today is balancing the company with the environment out of which is part of and watches on future processes that shall affect the good course of its work.

Being careful at keeping social normality in order not to compromise the satisfaction of the needs of the future generations, the company practically predicts a prosperous future for itself. Involvement in actions of social responsibility with a view to durable development, which attracts favorable consequences for all parties involved, which puts this process in the main line of the management strategy. After all, the company's goal is to survive and thrive, a goal based on the principle of sustainability. In order to achieve this goal, the company has to find the means to activate, innovate and consume, by the intermediary of which to maintain a better relationship with all stakeholders' categories.Attracting and retaining employees, adapting to changing market economies and making business progress depends on how management can balance internal and external parts of the company with all their components. Equally, the purpose of society is to survive, prosper and be a sustainable system. To this end, all individuals must watch at fulfilling their current needs, but without neglecting the limited possibilities of the planet to support these needs and without neglecting future generations and their needs. More than that, the purpose of the environment is that to be a sustainable ecological system and its achievement can only be achieved by the stopping of its destruction. Thus, the sustainable goals of the company, society and the environment are practically intertwined.Companies are powerful actors in the whole process, and their power now tends to reflect on this connection, as well.

4. Conclusions

Corporate social responsibility is a way of sustainable development through which organizations understand to address social and environmental issues. Corporate social responsibility can therefore be seen as an opportunity for sustainable development through which organizations try to cope with social and environmental issues that can change the mentality of the importance of the environment to the social well-being that each organization should have in mind.Social responsibility is the means by which the objective of becoming the most competitive and the most dynamic economic system in the world is achieved, a system capable of supporting economic development through more and better jobs and a greater social cohesion (a goal set in the European Council since 2000, in Lisbon). The concept of economic responsibility is profitable for the following reasons:

- Corporate responsibility support programs cultivate team spirit, increase employee efficiency and contribute to the professional development of members of the organization;
- Social responsibility contributes to the management of the values underlying the quality management and the strategic planning;
- Responsible business behavior promotes a strong public image;
- Business responsibility behavior supports the procedures and actions of company's employees;
- In the long run, business responsibility contributes to the moral evolution of society.

Whatever the name, sustainability, corporate ethics of community enterprises, corporate social conscience, corporate social responsibility is a concept that refers to the contribution that organizations should bring to the development of modern society.The concept of sustainable development includes the simultaneous achievement of three objectives :

- **economic well-being** - generating a maximum flow of income by keeping in time the capital that has produced these benefits;
- **Stability of social and cultural systems** - ensuring the human capital necessary for development, also by reducing destructive conflicts;
- **Environmental protection** - preserving the biological and physical stability of natural systems.

Adoption of social responsibility means the voluntary engagement of commitments that go beyond conventional and regulatory requirements that organizations should respect. Under these circumstances, they strive to raise standards of social development, environmental protection and respect for fundamental rights, and adopt an open corporate governance that involves reconciling parties interested in a global, quality and sustainable approach. Corporate social responsibility brings benefits such as: improving relationships with the community in which they operate; the influence of the target audience; positive, credible and sustainable; placing it in a higher position in society; making its consumers loyal; higher motivation of employees.

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