

CORPORATE SOCIAL RESPONSIBILITY: IMPACT OF CORPORATION ON OUR LIVES

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Abstract

In the recent years has been observed that more and more corporations take initiatives in order to contribute actively to the society by making socially responsible acts. With this way they want to contribute in the financial development of the society and also at the same time in the financial growth of the corporation.

As social corporate responsibility is defined the voluntary commitment of corporations in order to incorporate to their business practices, social and environmental actions beyond the law and which are related to those affected by them. Corporations ought to make responsible social actions and these are identified in spectrums like human rights, human resources, working conditions, in education, in social activities and in the environment protection.

In order social corporate responsibility to function fruitfully in the corporation but also in the society, must be identified with specific policies in the corporation and to its employees, to incorporate in marketing function but at the same time and with its strategies for its development in the market. In this paper we examine the concept of Corporate Social Responsibility and the impact of Corporation on our lives.

Keywords: Corporate Social Responsibility, Corporation, Environment, Consumers

«Good people do not need laws to act responsibly, while bad people will find ways to detour them».

Platonas

As is being known companies have great importance. Importance because we afford 1/3 of our time in them, we consume products originate from these and from them depends our income, our employment as also the economy progress. With the corporation institution is linked growth, prosperity, social justice and the development of societies.

Any corporation in order to be established, to become more known in its area and to create its image uses – utilizes various means and develops several actions such as advertising and public relations. In recent years has been developed and another meaning, the concept of corporate social responsibility (CSR), which is associated with the image and the work of corporations (Eccles R., Ioannou, I., Serafeim G., 2011).

CSR was made known as a prominent issue for corporations world since the early 1990s, after a series of scandals and bad practices which had been developed by corporations, affecting a number of large multinational corporations and led to the realization on the part of corporations, how sensitive they were on issues that are often not related to the products they are producing and services that they offer. Since then, the subject of social responsibility corporations' systematic management has received large proportions throughout the world and particularly in Europe.

Indicatively cases that defeated corporations but influenced society and therefore also the corporations, so that they can face with the discomfort against them formed the affairs of Exxon (Exxon Valdez wreck and ecological disaster of Alaska coast), of Shell (cases Brent Spa and episodes in Nigeria), of Nestle (baby formula in Africa and minors work in coffee plantations), of Nike (forced labour and child labour in Asia), of I.G. Farben, VW and Daimler-Benz (revelations related to the work of prisoners during Second World War), of Perrier and Coca-Cola (problems with poisonings from the product), of Enron-Andersen case (confirmation of false data), of Cambior (release millions of waste gallons into the Essequibo and Omai rivers in the Amazon basin), of Cameco (releasing tons of cyanide in the Barskaun River), of Aurul Consortium (liberalisation of thousands contaminated water cubic meters into the river Zsamos).

It must be noted that according to the findings of a Eurobarometer survey entitled «How Companies Influence Our Society» (Flash Eurobarometer 363, 2013) (http://ec.europa.eu/public_opinion/flash/fl_363_en.pdf), just 52% of respondents believe that the impact of companies on society is positive, compared to 41% who see it as negative. At the same time, the percentage of respondents who reply in the affirmative to the question is significantly higher in emerging economies.

At the same time, 71% of European respondents believe that small medium enterprises (SMEs) exhibit socially responsible behaviour, compared to a figure of 48% for large companies. Finally, while 79% of Europeans are interested in the social impact of the action of companies, just 36% feel well-informed; this contrasts with respondents in countries outside the EU where citizens are significantly better informed.

Given the importance of corporate social responsibility (CSR) for the Europe 2020 strategy and sustainable development [COM (2011), 681 final] the above mentioned findings are very interesting.

Through CSR stresses the responsibility, the social conscience, the sensitivity, the consciousness and the business ethics of the corporation. Daily events, relating to corporations and organizations, awaken the public consciousness and highlighted corporate accountability in social imperative. Such events are administrative greed, financial crime (RwC 2011), corruption (Korontzis, 2013) environmental destruction (Korontzis, 2007), the violation of human rights.

When we talk about CSR we are talking about a new model of corporation management that is looking forward to long-term investing, with transparency and constantly dialogue on creating synergies. Corporations have entered in a "new era of responsibility" and should orient their activities in the so-called economy of the future that is directly related to sustainable development. To achieve, namely, positive economic effect but with parallel caring for the environment and society. The new actions should be more targeted, their results more measurable, while the benefits for corporations and for the congregations to be more tangible.

Environment is not the only issue of the corporations CSR. Workers, health and safety, education and lifelong learning, equal opportunities for all, poverty, transparency and the fight against corruption, human rights are challenges facing today by the society and consequently and corporations.

The formation of the society and the life within it, is based on a multi-dimensional grid of rules and relationships that are developed among its members and govern their behavior. A prerequisite for the smooth society functioning consists the relationships harmony which is expressed and is assessed with the grade to which is situated reasonable consistency of members rights and obligations. Each member is identified as a carrier of basic rights, and society has a duty to protect these, while each member has an obligation to offer to society according to its capabilities.

Corporations CSR is divided into internal and external depending on the benefiter parts of a corporate action. The administration is required to penetrate into the core of the corporation and to identify internal and external factors that determine both the business viability and sustainable development by adopting CSR practices.

For different countries, regions, sectors and organizations CSR includes different items of discussion and significantly different priorities. However, the basic approach of CSR includes organizations that adopt a formal structured approach to valuation of its social and environmental impact, making steps to improve and publishing the whole process and its results.

The responsible corporate practice extends to the workplace, the marketplace, to the community and to the environment.

As regards the internal dimension in one corporation, socially responsible practices primarily involve employees and relate to issues such as:

Human resources management. This is expressed with lifelong learning, the allocation of functions and powers to the employees, with better information throughout the corporation, better balance between work, family and leisure, the greater workforce diversity, the equal pay and career prospects for women, the profit sharing and delivery systems of equity shares, as well as reflecting on the employability and employment.

The health and safety at work. As is increased the attention given to performance in terms of health and safety at work and the positive features of products and services, also is noted growing demand both for measurement, documentation and communication of these positive features in the promotional material, while the criteria are included in varying degrees in the existing certification and labeling schemes for products and equipment.

The adaptation to change. Supporting local development and active labor market strategies through participation in local partnerships for employment and/or social inclusion, corporations can reduce the social and local impact of large-scale restructuring.

The management of environmental impacts and natural resources. The reduction of resource consumption and pollutant emissions and waste can reduce environmental impact. It may benefit corporations by lowering energy bills and waste disposal as well as the costs for raw materials and for the decontamination. Individual corporations have resulted that the reduced usage can lead to increased efficiency and competitiveness. [COM (2001) 366].

As regards the external dimension CSR extends beyond the company at:

Local communities. Many corporations participating in community problems, mainly by providing vocational training positions, supporting charitable events for environment protection, the recruitment of socially excluded people, the creation of daycare and child care facilities for their employees, partnerships with communities, donations to charitable activities.

To business partners, suppliers and consumers through close cooperation with them, corporations can reduce the complexity and increase the quality. Also the big corporations are at the same time business partners of the smaller corporations, either as customers, suppliers, subcontractors or competitors. Corporations know that their social performance can be affected as a result of their partners' practices and their suppliers throughout the supply chain. Parallel many corporations are promoting business initiatives

in the region that have been installed. Capital investments are a way in which facilitated these new innovative enterprises.

Human rights. After growing pressure by NGOs and consumer groups, corporations and sectors are increasingly adopting codes of conduct covering working conditions, human rights and environmental aspects, specifically in relation to subcontractors and suppliers.

Global environmental concerns. Through cross-border environmental problems the corporations play an active role in the global environment. They can encourage better environmental performance through the supply chain and to use European and international instruments related to the management and the product. The activities of corporations in third countries can have a direct impact on economic and social development of the sailors countries [COM (2001) 366].

CSR is one of the most dynamic and demanding activity areas for modern corporation. Indicates the balanced approach to economic, social and environmental impact of corporation running and is based on the triptych of the growth, sustainability and social cohesion.

The recognition by the modern societies of the need for balanced and sustainable development and the fundamental changes that this entails for the way the corporations are organized and operate, is the main cause for the development and dissemination of CSR concept. In recent years, the world's largest corporations have begun to move away from the traditional beliefs that limit their social role just in some donations for charitable purposes, to sponsoring events and basic care measures for workers and gradually adopt a systematic and strategic approach of CSR management, both at internal and external environment.

With this shift aimed at boosting their performance through practices that satisfy all parties involved, namely, individuals and groups that can affect and be affected by the corporations operation. In addition, the political, economic and technological developments associated with globalization are causing rapid social changes resulting radical change of society's expectations on the role of corporations. Corporations are judged now not only based on financial results or by products quality and services they offer, but also based on environmental and social criteria.

The European Commission adopted in 2001 a green paper on CSR and today lies in the editing process of a draft directive. In national level, several European countries have established the obligation to publish specific information for the environmental, labour and social issues arising from the activity of larger corporations something that happens in France, Italy and in the Scandinavian countries (for environmental elements).

CSR is defined by the European Union as a «concept whereby corporations integrate on a voluntary basis social and environmental

concerns in their business operations and in their contacts with other interested partners». Other definitions emphasize the commitment of the corporations on «moral» behavior principles (for instance the definition of World Business Council for Sustainable Development: «the continuing commitment by business to behave ethically and contribute to economic development while improving to the quality of life of the workforce and their families as well as of the local community and society at large»), however most of the definitions agree that SCR takes under consideration issues arising from its operation concerning the protection of the environment and sustainable development, the rights and quality of workers life and the broader society in which is activated.

CSR is an issue on which the views of the authors and of management theories differ considerably. These views are expressed primarily through the work of two authors – professors, Dr. Milton Friedman (Friedman, 1970) and Dr. Keith Davis (Davis, 1973). Summary according to the first author who expresses the classical or purely economic point of view, the only social responsibility of management is to maximize profits. On the other hand according to the socio-economic point of view expressed by the second author, the responsibility of management in addition to the achievement of profit is the protection and the development of society.

Through voluntary CSR is seeking the self regulation of corporative environment, so to be ensured the respect for these issues with the use of environmental impact management systems, the support of local communities and other beneficial social initiatives (e.g. employment of people from population vulnerable groups) and creating a fair, safe and productive working environment.

The concept of CSR is constantly evolving in order to include cooperation between interested parties on establishing standards, systematic monitoring, control and certification of social control processes, used by corporations. Gradually reveal more and more international initiatives for the promotion, development and systematization of CSR. Indicatively are reported examples of national and transnational corporations collaboration networks and corporations associations, international standards of corporate social responsibility management (AA1000 and SA8000), the movement for ethical investment and the corresponding indicators of socially responsible corporations (FTSE4 Good Index and Dow Jones Sustainability Indexes) and the initiatives of the European Union Commission and the United Nations.

In 2000 was established after initiative of the United Nations Secretary-general the Global Compact, aiming to unite the corporations' efforts, unions and civil society organizations in the areas of human rights, labour, environment and anti-corruption. Through the Global Compact UN seeks to promote corporate SCR and to make corporations part of problems

solution arising from globalization. Today hundreds of corporations and organizations around the world have joined in this voluntary effort, endorsing the ten basic principles that govern SCR.

In particular the ten principles are divided into four thematic sections and are the following:

human rights (1. support and respect for internationally recognized human rights, 2. non-involvement in human rights violations),

labour standards (3. respect of trade union freedom and the right to collective bargaining, 4. eradication of forced labour, 5. Prohibition of child labour, 6. Elimination of discrimination in employment),

Environment (7. precautionary approach, 8. Initiatives on promoting environmental responsibility, 9. Development and dissemination of environmentally friendly technologies) and

Fight corruption (10. Actions against corruption, including extortion and bribery).

In parallel with the increasing expectations of stakeholders and the general public with regard to corporations social role, is observed that the interested parties and more specifically non-governmental organizations and associations of local interests, gradually realizing the greatest power that the new technological and political conditions ensure against corporations and mobilized more strongly in order to promote their demands and expectations.

Consumers also show a greater interest in the social and environmental impact of the products and services they buy and the corporations that offer them. 70% of European consumers argue that corporation social responsibility affects the purchasing decisions and one in five consumers are willing to pay more for environmentally and socially "responsible" products. Similarly, workers are more interested in the social behavior of their employers and corporations that seem to support more vigorously the society's needs retain more easily their best employees or hire people who usually are gradually victims of discrimination and prejudice, regardless of workers qualifications and their availability.

Indicative of this increased consumer power and of non-governmental organizations is the voltage that occurs in many large multinational corporations to extend CSR application in their broadly partner networks in the chain of products production and distribution. For instance the large business marketing coffee and chocolate products were under pressure because of working conditions in the plantations from which they buy raw material, although these plantations were not under its direct control and ownership.

Arguably corporations are an important and integral part of society, in which the interactions and influences are many and at many levels. The profit is, of course, the main purpose of corporations but in each case they

must contribute actively to society, with socially responsible actions. Responsible social acts are included in their business practices, in their social and environmental actions that are beyond of those imposed by the law and have a relationship with those who are affected by their activities.

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